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RECIPROCAL TRADE

A DEMONSTRATION OF THE POSSI-
BILITIES IN THE PHILIPPINES OF
TRADE FOR THE UNITED STATES
UNDER A RECIPROCAL TARIFF

By HAROLD M. PITT
MANILA, P. I.

ISSUED BY THE
PUBLICITY COMMITTEE OF MANILA
MERCHANTS' ASSOCIATION

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You will find in this pamphlet statistics covering imports into the Philippines of articles which you handle or are otherwise interested in.

It was the intention originally, in connection with this work, to issue a separate letter for each class of articles and to send to you only such subjects as appeared, from records available to us, to concern your business.

We ask it as a favor that you call to the attention of your acquaintances, in lines of business different from your own, statistics herein contained that will likely concern them.

We believe that the facts set forth will give a clearer understanding of possibilities for trade in these Islands than you have heretofore possessed.

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AN OPEN LETTER TO MERCHANTS AND MANUFACTURERS OF THE UNITED STATES.

GENTLEMEN: When the American people understand conditions in the Philippines as they actually exist, and learn of the possibilities that are offered here for the investment of capital and as a field for the exercise of individual talents and ability in developing and building up, in conjunction with capital, the industries of these Islands; and when the American public realizes what wonderful increase in the commerce of the Islands will come with their development, all operating to advance the political prestige as well as the commercial preponderance of the United States among the great nations of the earth, the small talk and trifling agitation that has lately been the fashion regarding the cost of the Islands and their cumbersome weight on our Government will dissipate in thin air.

Conditions in the United States during the past decade have been so favorable for all commercial and manufacturing enterprises that the home field has afforded to the energy of the people ample opportunity and satisfactory returns. But this same healthy condition has so stimulated the industries of the country that production has been brought to a point where the necessity of cultivating foreign markets is apparent if the equilibrium of consumption is to be maintained in its relation to production. The time is rapidly passing when the home market may be considered sufficient, and this fact is being impressed upon the minds of thoughtful manufacturers throughout the United States.

It is now possible to consider in reason the advantages which control of the markets of the Philippines will give, and also the relation that a greatly enlarged commerce in these Islands will bear to our ultimate control of a dominating share in the commerce of China. But, before we can hope to secure the trade of the Philippine Islands, it will be necessary for Congress to pass reciprocal tariff laws which will establish free trade between the United States and this, her territory. Such legislation will be of wonderful assistance to the agricultural interests of the Islands and naturally result in vast improvement in economic conditions among the people. Production in all articles for export will be stimulated and the consuming power of the population correspondingly increased. This change in conditions will operate to the direct advantage

of manufacturers in the United States, as, with free access to Philippine markets for their products, they will eventually control the import business of the Islands. In support of this prediction we quote the following from a report on conditions in Porto Rico by the Bureau of Statistics, Department of Commerce and Labor, Washington, April, 1907:

Commerce and commercial opportunities and prospects in Porto Rico have rapidly developed during recent years, and commercial relations between the island and the mainland of the United States have been greatly stimulated through the natural interchanges growing out of a close relationship between tropical and temperate zone sections and peoples. No class of products has enjoyed a greater popularity among or realized a greater growth in demand by the people of the United States than those produced in the tropical sections of the world. The value of tropical and subtropical products entering the ports of the United States has quadrupled since 1870 and doubled in the last twenty years, while the quantity of many of the important tropical products imported has grown in even greater proportion. The demand for such standard articles of tropical production as sugar, coffee, cacao, fibers, tobacco, fruits and nuts, gums, cabinet woods, dyewoods, and other articles of this character increases steadily and rapidly in the United States. So, when Porto Rico, a producer or possible producer of these articles, found a ready market in a country of 80,000,000 consumers, her production of the more important of them was immediately stimulated, and soon there followed similar increases of production in the less important industries of this character. In turn followed the improvement of roads and facilities for transporting these natural products to the seaboard and thence to the markets of the United States. On the other hand, the people of Porto Rico, requiring manufactures and breadstuffs, the products of the temperate zone, have applied their increased earnings and the results of their increased sales in the United States to increased purchases of the products of our farms and factories.

The result of this natural interchange and the stimulus given to production in Porto Rico is seen in the fact that the * * * value of merchandise passing between the island and the United States is ten times as great as a decade ago, both in products sent to this country and merchandise purchased therefrom.

These conditions of increased markets in the United States for Porto Rican products and increased interchange of products between the people of that island and the people of the mainland have greatly stimulated the interest of American capitalists, investors, and producers, and many millions of American capital have been invested in the various lines of industry in Porto Rico—the production of sugar, tobacco, citrus fruits, pineapples, cocoanuts, coffee, and fibers, and experimentally in many other lines. These investments have in turn stimulated the development of roads, railways, and other facilities of transportation, and have at the same time stimulated the interest of American citizens in conditions in the island and its possibilities as a field for future investment of American capital and American energy.

This record of splendid achievement in Porto Rico will be rivaled in these Islands if they are given the same advantages that Porto Rico possesses.

We quote here from a report on conditions in the Philippines by the

Bureau of Statistics, Department of Commerce and Labor, Washington, January, 1907:

The United States is a great consumer of tropical products, its imports of articles produced in tropical or subtropical climates aggregating over 500 million dollars per annum. The articles forming this commerce include sugar, coffee, tea, cacao, india rubber, hemp, jute, tobacco, fruits and nuts, spices, gums, silk, cabinet woods, dyewoods, wool and hides, and many other articles of less importance.

The Philippines, located in the Tropics, are capable of producing large quantities of all, or practically all, of these various articles. At present their productions for export consist chiefly of hemp, sugar, and tobacco, and the aggregate value of their exportations has never, because of crude methods, absence of transportation facilities, and lack of capital, exceeded 34 million dollars in any year; yet their possibilities are many times that amount.

A FEW COMPARISONS.

The area of the Philippines is 115,026 square miles, their population 8 millions and their exports 34 million dollars in value. Porto Rico, with an area of 3,435 square miles and a population of 1 million, exports about 24 million dollars' worth of merchandise per annum, or two-thirds as much as the Philippines, although its area is less than one-thirtieth and its population but about one-eighth that of the Philippines. In Porto Rico production and exportation have doubled in eight years under the application of American methods of production and transportation.

The area of the Philippine Islands is but little less than that of Japan (147,655 square miles), whose exports, after supporting a population of 46 millions, amounted in 1905 to 158 million dollars, and is practically five times as great as that of Ceylon, which, with a population half that of the Philippines, exported, in 1904, about 40 million dollars' worth of merchandise.

IMPORTATIONS INTO THE UNITED STATES OF POSSIBLE PHILIPPINES PRODUCTS.

The United States brings into its ports from foreign countries 75 to 100 million dollars' worth of coffee annually, and the Philippines have produced, under favorable circumstances, large quantities of coffee of a high grade; from 40 to 50 million dollars' worth of india rubber annually, and * * * rubber production is not only possible but entirely practicable in the Philippine Islands. Fiber importations into the United States, including chiefly hemp, sisal, and jute, amount to about 40 million dollars per annum, and these the Philippines are able to produce in unlimited quantities, with the possible exception of jute, which is still in the experimental stage. It also imports about 35 million dollars' worth of fruits, nuts, and spices, almost exclusively of tropical production, and practically all of which might readily be produced in the Philippine Islands; about 22 million dollars' worth of tobacco annually, chiefly from tropical countries, from 15 to 18 million dollars' worth of tea per annum, and the opinion of tea experts in the Orient is that the Philippines are about the only remaining undeveloped tea-producing area of the world; over 30 million dollars' worth of goatskins annually; practically all of which comes from tropical or subtropical countries. Its annual importation of 30 million dollars' worth of pig tin, produced almost exclusively in that part of the world in which the Philippines are located, and

of 60 million dollars' worth of raw silk, produced almost exclusively in countries immediately adjacent to the Philippines, suggests further possibilities of development of entirely new industries in those Islands; for while tin has been found in certain parts of the Islands, and conditions in certain other parts of the Islands seem favorable to the silk industry, little has been done in either of these lines to develop industries which are now so important and profitable in comparatively near-by sections of the world.

INTERCHANGE OF PRODUCTS.

The experience of the United States thus far in its trade with its noncontiguous territories, especially those located in the Tropics, has been that the growth in sales of merchandise to those islands has been coincident with the growth of their producing and consuming power. The value of merchandise brought from Porto Rico to the United States is now about ten times as great as in the year immediately preceding annexation; and the value of merchandise sent to that island from the mainland is also ten times as great as in the years immediately preceding annexation, less than a decade ago. Where the United States has become a large purchaser of the products of these tropical islands, their production has been stimulated, and they have in like degree increased their purchases of manufactures and food stuffs from the United States.

It is admitted that Porto Rico has only fairly entered upon her industrial development. The external commerce of Porto Rico for the fiscal year ended *June 30, 1901*, amounted to \$17,950,197. For the calendar year 1906, it amounted to \$50,166,676. The bill providing for free trade between the United States and Porto Rico went into effect on July 25, 1901. The Philippine Islands, having a population of nearly 8 millions and an area thirty-two times that of Porto Rico, showed a foreign commerce in 1901 of \$54,665,824, and in 1906 of \$59,046,660. In 1906, *88 per cent* of the imports into *Porto Rico* came from the United States; in the same year *17 per cent* of the imports into the *Philippine Islands* came from the United States. If the Philippine Islands had purchased in 1906 as much goods per capita from the United States as did Porto Rico, *instead of \$4,477,886*, which was the actual amount, *the figures would have been \$175,989,168*; and that this business is available to the United States in the Philippines, with free trade established, is as certain as has been the growth of the commerce of Porto Rico. These figures, while suggestive, by no means indicate the limit of the possibilities of commerce in these Islands. Between 40 and 50 per cent of their total area is practically virgin forests, in which are found some of the most valuable woods known. It is estimated that these forests will yield upward of 20 million dollars' worth of timber every year without impairment. The mountainous sections are well adapted to the raising of hemp and coffee. The valleys and plains are favorable in soil and climate for the cultivation of other tropical products.

There is nothing produced for export in the Philippine Islands, and nothing that the country is adapted to produce, that is not at present

required in the United States and imported from foreign tropical countries in quantities that would tax the capacity of these Islands to yield. The foreign goods consumed in the Philippine Islands consist principally of cotton manufactures, food stuffs, and iron and steel with their manufactures. There are no articles on the entire list that are not produced and exported by the United States.

The interests of the United States and these insular possessions would, without question, be best served by reciprocal trade arrangements, and business expediency demands that trade barriers between their ports be abolished.

If free trade were established between the United States and the Philippines, these Islands would, within a few years' time, reach the same measure of production in proportion to population as has Porto Rico. The external commerce would be with the United States in the same proportion as is that of Porto Rico, and the vessels that would be required to handle a commerce approaching \$400,000,000 annually would rapidly increase the merchant marine of the United States. The commerce between the United States and the Orient, including the Philippine Islands, will prove a most potent factor in rehabilitating the ocean carrying trade of the United States and recover for our Government her old-time prestige on the high seas.

The geographical position of the Philippines makes them a natural gateway to the markets of the Orient. The United States, with a great commerce established in these Islands, would occupy an impregnable position in competition for the markets of the Far East. The Philippines market, which the United States should control, would prove a nucleus for this trade. From stocks carried in Manila the China coast trade can be supplied within from two to four days. It now takes from five to six months from the time orders are mailed from any point in the Orient to New York, London, or Hamburg before the goods are received. It is obvious that with stocks in Manila from which orders could be immediately filled, United States goods would gain a strong foothold in this section of the world.

China is developing rapidly; the building of railroads is giving a great impetus to the commerce of the Empire, and a spirit of progress prevails there that is certain to bring her into more intimate relations, both politically and commercially, with the outside world. The United States should be the first nation to profit by these changes, and the Philippines offer a solution to the question of how we may best take advantage of the opportunity.

In 1905 the imports into China amounted to approximately 250 millions of dollars. This is only a fraction of what it will amount to in future years. To this trade the United States contributed about 20 millions, while Great Britain and British possessions controlled more

than half. Of these 250 millions of imports nearly 90 millions were represented by cotton goods alone, while iron and steel and their manufactures follow closely in importance. No nation should be able to compete for this trade on an equal footing with the United States.

Other sections of the Orient can be reached with American goods from Manila. Tonquin, Siam, Straits Settlements, Borneo, Java, Sumatra, etc., are all within a few days' travel of Manila, but China furnishes the largest market, and, because of its capacity for development and of the fact that it is developing rapidly, it offers the best example of increased possibilities for American commerce in the Orient with Manila as a supply station. England has Hongkong as a distributing point, but Hongkong has no field of its own to furnish a permanent market and, therefore, would find it difficult to carry stocks of goods from which to draw for the uncontrolled trade of contiguous territory. With a large market already secured in the Philippine Islands, the United States would possess a distinct advantage and American manufacturers would find it greatly to their interest to carry permanent stocks in Manila. From these the filling-in trade in China could be supplied and thus American goods would become better established and gradually dominate that market.

Since 1898 individual American interests have steadily increased in importance in the Philippine Islands and evidence of the enterprise and business acumen of Americans is now to be met with on every side. We find them in the provinces applying their energy to agricultural pursuits. In the larger cities they are introducing electric lighting and ice plants. American capital has begun to develop the lumbering business along modern lines and is building railroads in the principal islands. A modern electric light, power, and street-railway system has been inaugurated by Americans in the city of Manila; and a factory, the second largest in the world for the manufacture of cocoanut oil and by-products, stands on the banks of the Pasig River a monument to the enterprise and faith of our countrymen.

To the initiative, energy, and example of Americans in the Islands is due in a large measure the progress that has marked the period since 1898.

The great essentials in the Philippines to-day are capital, and free trade with the home country; with the latter would come a mighty development of the vast resources of the Islands. This, American capital under intelligent direction would make certain. These elements secured, the great forces with which the economic structure of a nation is created would quickly be brought into operation.

We want you to become interested in the Philippines and to demonstrate your interest by giving us active assistance. This you can do by *taking up the question at once* with your Senators and Representatives in

Congress, urging upon them the great importance of early enactment of legislation that will give to Philippine products free access to United States markets and to United States products free access to the markets of the Philippines.

We are dependent economically, as well as politically, upon the Government of the United States, and to our representations made from the standpoint of mutual interest, we add an earnest appeal for justice.

A reply to this communication is desired and we will be glad to answer inquiries upon this or any subject relating to the Philippine Islands.

Respectfully,

HAROLD M. PITT,
Committee on Reciprocal Trade.



COMPARISONS OF THE IMPORT TRADE OF THE PHILIPPINE ISLANDS.

TRADE OF THE PHILIPPINES UNDER SPANISH RULE.

Annual average for the five years 1890-1894, the last period under Spanish rule of which authentic record is available.

Imports.			Exports.
Total.	From the United States.		
	Amount.	Per cent.	
\$16, 285, 044	\$502, 829	3	\$20, 457, 279

TRADE OF THE PHILIPPINES UNDER AMERICAN RULE.

[Exclusive of gold and silver and United States Government supplies.]

Calendar year.	Imports.			Exports.
	Total.	From the United States.		
		Amount.	Per cent.	
1899	\$19, 192, 986	\$1, 353, 086	7	\$14, 846, 582
1906	26, 403, 768	4, 477, 886	17	32, 642, 892

In 1894 imports from the United States amounted in value to \$465,414, of which petroleum represented \$273,123 and wheat flour \$159,651, leaving but \$32,640 of other products that were imported from the United States in that year. This shows the small extent to which the United States participated in the import trade of the Philippines prior to the occupation in 1898.

1. AGRICULTURAL IMPLEMENTS.

The following table gives the imports of agricultural implements into the Philippine Islands for the calendar year 1906 with a comparison of the imports into Porto Rico of implements from the United States and an estimate of what the value of the importations into the Philippines from the United States would have been had the same

volume of trade per capita existed here as in Porto Rico and the same proportion of the total imports come from the United States.

[Exclusive of United States Government supplies.]

Article.	Philippine Islands.			Porto Rico. from United States.
	Total importa- tions.	From United States.		
		Actual.	Estimated. ^a	
Agricultural implements-----	\$145, 536	\$101, 431	\$392, 144	\$49, 018

^a If same amount per capita as Porto Rico.

Imports of agricultural implements into Porto Rico from the United States,
fiscal year—

1901	\$8,132
1906	42,365

In Spanish times the importations of agricultural implements and machinery into the Philippines was small as compared to the trade in such articles since American occupation of these Islands. In 1894 there were agricultural implements to the value of 50,555 pesos imported into the Philippines, of which 22,800 pesos' worth came from England, 11,425 pesos' worth from Germany, and the balance was divided between China and Spain. There were no importations from the United States. The value of the peso in 1894 was 64 cents, United States currency, so that the actual value of the importations in that year amounted to but \$32,355.

Since American control there has been a steady increase in the use of agricultural machinery and implements and a large proportion of the trade has gone to the United States, but the volume of business in this line at the present time is as nothing compared to what it would be were agricultural conditions favorable in the Islands. The Philippines are distinctly an agricultural country—probably four-fifths of the working population are engaged in agricultural pursuits. A greater proportion of implements will be used in the Philippines, considering the population, than in Porto Rico, for the reason that there is greater diversity in the products of the Philippines; thus, the estimate based on the importations into Porto Rico, of what the Philippines should use, is very moderate.

The entire trade in this branch will be controlled by United States manufacturers when reciprocal tariff arrangements are effected between the United States and the Philippines.

It is difficult to estimate the importance that business in this line will assume in connection with the direct trade of the Philippine Islands together with the contingent trade that should be brought to the United States, through the Philippines, from China and other Oriental countries. But it has already been demonstrated that stocks of goods carried in Manila will attract buyers from China, especially Manchuria, and there is a vast field developing in that country which American manufacturers should control, and can control by using the Philippines as a stepping stone.

2. BLACKING.

The following table gives the imports of blacking into the Philippine Islands for the calendar year 1906 with a comparison of the imports into Porto Rico of blacking from the United States and an estimate of what the value of the importations into the Philippines from the United States would have been had the same volume of trade per capita existed here as in Porto Rico and the same proportion of the total imports come from the United States:

[Exclusive of United States Government supplies.]

Article.	Philippine Islands.			Porto Rico, from United States.
	Total importa- tions.	From United States.		
		Actual.	Estimated. ^a	
Blacking -----	\$15,618	\$12,130	\$13,176	\$3,772

^a If same amount per capita as Porto Rico.

While the trade in this article is not of great importance, still it will show some development, and the above figures indicate what the trade would be were the Philippines on the same basis as is Porto Rico and the Filipino people demonstrating an equal consuming power with those of that island.

While most of the blacking imported into the Philippines comes from the United States, there is no reason why it should not all be purchased there, nor is there any reason why the consumption should not be double what it is.

3. BOOKS, MAPS, ENGRAVINGS, AND OTHER PRINTED MATTER, INCLUDING SCIENTIFIC INSTRUMENTS FOR USE IN SCHOOLS.

The following table gives the imports of articles under this head into the Philippine Islands for the calendar year 1906 with a comparison of the imports into Porto Rico of similar articles from the United States and an estimate of what the value of the importations into the Philippines from the United States would have been had the same volume of trade per capita existed here as in Porto Rico and the same proportion of total imports come from the United States:

[Exclusive of United States Government supplies.]

Article.	Philippine Islands.			Porto Rico, from United States.
	Total importa- tions.	From United States.		
		Actual.	Estimated. ^a	
Books, maps, and scientific instruments for school purposes-----	\$17,787	\$10,867	\$2,300,912	\$287,614
Miscellaneous printed matter-----	94,658	21,701		
Total-----	112,445	32,568	2,300,912	287,614

^a If same amount per capita as Porto Rico.

Imports of books, maps, engravings, etchings, etc., into Porto Rico from the United States in the fiscal year 1901 amounted to \$40,904.

Spain always contributed a large proportion of the imports of goods of this character. This was due to the fact that the official language of the Islands was Spanish and Spanish was taught in the schools. Since the establishment of American schools in the Islands, where English is taught exclusively, there has been a steady increase in the importations from the United States.

The possibilities of trade in this line are illustrated by a comparison with Porto Rico. There is no question but that the Philippines will use an amount per capita equal to Porto Rico as soon as an equal development of the industries of the Islands has taken place. This will depend to a large extent upon reciprocal tariff arrangements between the Islands and the United States which alone can give proper impetus to agricultural development.

In Spanish times the religious orders practically controlled all educational facilities, and it was only the families of the well-to-do among the Filipinos who received any education at all. This condition tended to emphasize the distinction between classes and took from the peasant or laboring man all opportunity for preferment or advancement. The public-school system, as instituted by the United States Government, is effecting a radical change in this condition.

4. BRASS AND COPPER.

The following table gives the imports of brass and copper into the Philippine Islands for the calendar year 1906 with a comparison of the imports into Porto Rico of these articles from the United States and an estimate of what the value of the importations into the Philippines from the United States would have been had the same volume of trade per capita existed here as in Porto Rico and the same proportion of total imports come from the United States:

[Exclusive of United States Government supplies.]

Article.	Philippine Islands.			Porto Rico, from United States.
	Total importa- tions.	From United States.		
		Actual.	Estimated. ^a	
Brass, copper, and manufactures of -----	\$280,088	\$94,522	\$386,144	\$48,268

^a If same amount per capita as Porto Rico.

Imports of manufactures of copper into Porto Rico from the United States,
fiscal year—

1901	\$6,169
1906	39,336

A considerable portion of the trade in manufactures of copper has gone to the United States since American occupation of the Philippines, but a majority of the manufactures of brass, and copper in bars and sheets, is still furnished by Germany and Great Britain.

Trade in goods of this character has been increasing steadily since 1898. In 1894, which is the last year under Spanish rule of which authentic record is available, the importation amounted to but little in excess of 100,000 pesos, or, say, \$64,000, gold. The extension of telephone, telegraph, and electric-light systems throughout the Islands and the installing of an electric street-railway system in the city of Manila have very largely increased the consumption of brass and copper and their manufactures. This increase will continue with the development of the country.

The entire trade should go to the United States and will do so if reciprocal tariff arrangements are effected between the United States and the Philippine Islands.

The above figures are very suggestive, showing as they do that had the Philippines purchased as much per capita from the United States as did Porto Rico, the trade would have amounted to nearly \$300,000 more for American manufacturers.

5. BREADSTUFFS.

The following table gives the imports of breadstuffs into the Philippine Islands for the calendar year 1906 with a comparison of the imports into Porto Rico of these articles from the United States and an estimate of what the value of the importations into the Philippines from the United States would have been had the same volume of trade per capita existed here as in Porto Rico and the same proportion of total imports come from the United States:

[Exclusive of United States Government supplies.]

Article.	Philippine Islands.			Porto Rico, from United States.
	Total importa- tions.	From United States.		
		Actual.	Estimated. ^a	
Bran, etc -----	\$50, 498	\$9, 507	\$30, 360	\$3, 795
Crackers, etc -----	41, 810	4, 546	1, 613, 056	201, 632
Macaroni -----	70, 143	655		
Oatmeal -----	1, 460	1, 330	5, 976	747
Oats -----	42, 075	28, 207	286, 928	35, 866
Table preparations -----	12, 807	5, 247	255, 576	31, 947
Wheat flour -----	885, 076	452, 320	9, 035, 504	1, 129, 438
All other -----	38, 264	12, 510	425, 152	53, 144
Total -----	1, 142, 133	514, 322	11, 652, 552	1, 456, 569

^a If same amount per capita as Porto Rico.

Imports of breadstuffs into Porto Rico from the United States, fiscal years 1901 and 1906.

Article.	1901.	1906.
Bread and biscuit		
Corn meal	\$29,688	\$139,644
Wheat flour	62,083	34,722
All other	820,253	1,181,114
	22,985	39,777
Total	935,009	1,395,257

Bran and oats are items that do not properly belong in this classification, but they are given in order to conform with the classification of the Government in its records.

The article of most importance on the list is wheat flour. Prior to American occupation the importations into the Philippines from the United States were made up almost entirely of the two items, wheat flour and petroleum. In 1894 the Philippines imported wheat flour to the value of 936,261 pesos, the value of the peso being in that year 64 cents, United States currency. About one-fourth of this amount was furnished by the United States direct and a part of the remaining three-fourths came from the United States through Hongkong.

There is a large field developing for breadstuffs in the Philippine Islands. As the economic conditions improve and the consuming capacity of the people increases, there is a marked tendency to use a greater proportion of breadstuffs in the regular diet.

Australia has been securing a considerable part of this business in late years. The importations from that country increased from \$242,024 in value in 1905 to \$432,126 in 1906; while, during the same period, importations from the United States decreased from \$522,865 to \$452,320.

In the item of bread and biscuit, which is classified as "Crackers," the United Kingdom has always taken the lead. The importations of these articles from Great Britain in 1906 amounted in value to \$26,664, which is an increase of nearly \$6,000 from 1905, while the imports from the United States during the same period decreased from \$7,416 to \$4,546.

Reciprocal trade arrangements between the United States and the Philippine Islands would undoubtedly give the entire business in these goods to the United States. The record of Porto Rico demonstrates this. Under free trade with Porto Rico, the United States furnished that island with over \$200,000 worth of crackers in 1906. When the Philippines are brought to a fair measure of development, they will, without question, use as much per capita as Porto Rico and the importations into the Philippines on that basis will, as is shown in the above statement, amount to over one and one-half millions of dollars.

The same proposition holds true with the other items on this list, and a careful study of these comparisons should convince manufacturers in the United States that it is greatly to their interest to facilitate the development of the Philippines by working for free trade between these Islands and the United States.

6. BROOMS AND BRUSHES.

The following table gives the imports of brooms and brushes into the Philippine Islands for the calendar year 1906 with a comparison of the imports into Porto Rico of these articles from the United States and an estimate of what the value of the importations into the Philippines from

the United States would have been had the same volume of trade per capita existed here as in Porto Rico and the same proportion of total imports come from the United States:

[Exclusive of United States Government supplies.]

Article.	Philippine Islands.			Porto Rico, from United States.
	Total importa- tions.	From United States.		
		Actual.	Estimated. ^a	
Brooms and brushes-----	\$16,590	\$6,120	\$102,800	\$12,850

^a If same amount per capita as Porto Rico.

While the trade in articles under this heading has not been of great importance in the past, still the use of brooms and brushes of foreign manufacture is increasing, and there is room for considerable development in the business as the economic condition of the people is improved. With equal advantages, the people of the Philippines will easily use as much per capita as those of Porto Rico, while reciprocal trade arrangements between the United States and the Philippines will give to the former country all the business there is in this line.

The United States now heads the list of exporters of brooms and brushes to the Philippines, the next countries in order being Germany, which furnished \$2,817 in 1906, and the United Kingdom, which contributed these goods to the value of \$2,350 in the same year.

7. CARS, CARRIAGES, ETC.

The following table gives the imports of cars, carriages, etc., into the Philippine Islands for the calendar year 1906 with a comparison of the imports into Porto Rico of these articles from the United States and an estimate of what the value of the importations into the Philippines from the United States would have been had the same volume of trade per capita existed here as in Porto Rico and the same proportion of total imports come from the United States:

[Exclusive of United States Government supplies.]

Article.	Philippine Islands.			Porto Rico. from United States.
	Total importa- tions.	From United States.		
		Actual.	Estimated. ^a	
Automobiles.....			\$580,672	\$72,584
Steam railway cars.....	\$212,478	\$6,296	1,600	200
Other railway cars.....	45,464	9,007	2,164,584	270,573
Carriages, etc.....	61,111	5,992	882,584	110,323
Cycles.....	5,626	4,206	122,552	15,319
Total.....	324,679	45,501	3,751,992	468,999

^a If same amount per capita as Porto Rico.

Imports of cars, carriages, other vehicles, and parts of, into Porto Rico from the United States, fiscal years 1901 and 1906.

Article.	1901.	1906.
Cars, passenger and freight, and parts of -----	\$54,227	\$260,040
All other -----	16,813	103,403

Automobiles come under this head in the classification of imports into the Philippines. They are included in the item of "Carriages, etc.," and comprise most of the value of the imports of that item. The trade in automobiles was formerly controlled by France, but those of American manufacture are being more favorably considered as the people become better acquainted with them.

The largest importations under this head are of steam railway cars, which come almost entirely from Great Britain. These were brought in for the most part by one railway company in the Philippines, the management of which is English, and the control of which was formerly in London, although it is understood that New York capitalists have secured a large, if not a controlling interest in the company within the past two years.

There will in the future be a much greater market in the Philippines for all goods that come under this heading than has existed in the past.

As the economic condition of the people improves with the development of the country, the demand for goods of this character will naturally increase also. Filipinos take readily to automobiles, fine carriages, and the like, and purchase them freely when able to do so.

8. CELLULOID, MANUFACTURES OF.

The following table gives the imports of the manufactures of celluloid into the Philippine Islands for the calendar year 1906 with a comparison of the imports into Porto Rico of these articles from the United States and an estimate of what the value of the importations into the Philippines from the United States would have been had the same volume of trade per capita existed here as in Porto Rico and the same proportion of total imports come from the United States:

[Exclusive of United States Government supplies.]

Article.	Philippine Islands.			Porto Rico, from United States.
	Total importa- tions.	From United States.		
		Actual.	Estimated.*	
Celluloid, manufactures of -----	\$20, 714	\$2, 770	\$87, 952	\$10, 994

^a If same amount per capita as Porto Rico.

The trade in goods of this class is not large at present and what are imported come principally from France and Germany.

The use of such articles will naturally increase with an improvement in economic conditions. The factor that will operate most strongly to this end will be reciprocal trade arrangements between the United States and the Philippines. This will give an impetus to the agricultural industries of the Islands, thus increasing the purchasing power of the people and at the same time offer control of the Philippine trade to United States manufacturers.

9. CEMENT.

The following table gives the imports of cement into the Philippine Islands for the calendar year 1906 with a comparison of the imports into Porto Rico of this article from the United States and an estimate of what the value of the importations into the Philippines from the United States would have been had the same volume of trade per capita existed here as in Porto Rico and the same proportion of total imports come from the United States:

[Exclusive of United States Government supplies.]

Article.	Philippine Islands.			Porto Rico, from United States.
	Total importa- tions.	From United States.		
		Actual.	Estimated. ^a	
Cement-----	\$146, 966	\$156	\$1, 220, 720	\$152, 590

* If same amount per capita as Porto Rico.

Imports of cement into Porto Rico from the United States for the fiscal year 1901 amounted to \$11,712.

There are cement works at Hongkong which furnish the greater part of the cement used here, while China and Germany, as contributors of these imports, follow in the order named.

The consumption of cement has been increasing steadily since American occupation, though it was not as great in 1906 as in 1905.

Large quantities have been brought in for the United States Government the value of which is not included above.

It is hardly possible that the United States will ever be able to supply any material part of the cement imported into the Philippine Islands, but it is probable that cement works will be established in these Islands and the machinery for the same will naturally come from the United States. There are large deposits of the materials necessary for the manufacture of cement in various parts of the Islands.

10. CHEMICALS, DRUGS, ETC.

The following table gives the imports of chemicals, drugs, etc., into the Philippine Islands for the calendar year 1906 with a comparison of the imports into Porto Rico of these articles from the United States and an estimate of what the value of the importations into the Philippines from the United States would have been had the same volume of trade per capita existed here as in Porto Rico and the same proportion of total imports come from the United States:

Exclusive of United States Government supplies.]

Article.	Philippine Islands.			Porto Rico from United States.
	Total importa- tions.	From United States.		
		Actual.	Estimated.*	
Acids.....	\$14,612	\$634	\$69,216	\$8,652
Alcohol, wood.....				32
Baking powder.....				1,040
Dyes.....	25,051	27	168	21
Patent medicines.....	26,715	12,182	592,784	74,098
Mineral waters, etc.....	54,073	4,217		
Opium.....	410,770			
Quinine etc.....	12,815	398		
Roots, herbs, etc.....	27,209	983	1,034	163
Washing powder.....				1,684
All other.....	237,683	64,094	1,233,352	154,169
Total.....	808,928	82,535	1,918,872	239,859

* If same amount per capita as Porto Rico.

Imports of chemicals, drugs, dyes, and medicines into Porto Rico from the United States, fiscal year—

1901.....	\$89,236
1906.....	201,472

The apparent discrepancy in imports of some of these items is accounted for by the difference in classification, thus, where no importations are shown in either Porto Rico or the Philippines, the article is included under the head of "All other."

Outside of patent medicines, the United States has shared but little in the trade in the articles under this head. Yet eliminating opium (which is not produced in the United States and the importation of which will soon be prohibited into the Philippine Islands) there are few articles that can not be furnished by the United States. There is no reason why the consumption should not be as great in the Philippine Islands as in Porto Rico, and it doubtless will be as soon as favorable trade arrangements are effected. American manufacturers should then control this market and supply as much per capita to the Philippines as they are now supplying to Porto Rico.

11. CLOCKS AND WATCHES.

The following table gives the imports of clocks and watches into the Philippine Islands for the calendar year 1906 with a comparison of the imports into Porto Rico of these articles from the United States and an estimate of what the value of the importations into the Philippines from

the United States would have been had the same volume of trade per capita existed here as in Porto Rico and the same proportion of total imports come from the United States:

[Exclusive of United States Government supplies.]

Article.	Philippine Islands.			Porto Rico, from United States.
	Total importa- tions.	From United States.		
		Actual.	Estimated. ^a	
Clocks -----	\$13, 149	\$4, 016	\$77, 928	\$9, 741
Watches -----	56, 760	18, 839	32, 432	4, 054
Total -----	69, 909	22, 855	110, 360	13, 795

^a If same amount per capita as Porto Rico.

A large field should be developed in the Philippines for the sale of clocks and watches, as the people take readily to such articles and buy them freely when able to do so.

Any improvement in economic conditions in the Islands will be reflected directly by the trade in goods of this character. The removal of all duties on Philippine products entering the United States and upon American manufactures entering the Philippines will operate to extend the agricultural development of the Islands and increase the purchasing power of the people, while the business thus created will be controlled by United States manufacturers.

Prior to American occupation the watches and clocks that were imported into the Philippines came almost entirely from France and Switzerland. The United States has secured some part of this trade, but the higher grades are still imported from Europe.

12. COAL.

The following table gives the imports of coal into the Philippine Islands for the calendar year 1906 with a comparison of the imports into Porto Rico of this article from the United States and an estimate of what the value of the importations into the Philippines from the United States would have been had the same volume of trade per capita existed here as in Porto Rico and the same proportion of total imports come from the United States:

[Exclusive of United States Government supplies.]

Article.	Philippine Islands.			Porto Rico, from United States.
	Total importa- tions.	From United States.		
		Actual.	Estimated. ^a	
Coal -----	\$426, 751	\$9, 684	\$1, 436, 464	\$179, 558

^a If same amount per capita as Porto Rico.

Imports of bituminous coal into Porto Rico from the United States, fiscal year—

1901	\$51,210
1906	169,292

Coal deposits have been developed in different parts of these Islands, but never to an extent that has removed the necessity of importing from Japan and Australia the most of what is consumed here.

The United States Government imports, for the use of the Army and Navy, considerable quantities from Australia, while some comes from the eastern coast of the United States.

Nearly all the coal imported for commercial purposes is now brought from Australia.

The United States Government has become interested in a proposition to develop coal deposits located on the Island of Batan, and it is expected that these mines will ultimately supply a large part, if not all of the local trade.

A report of Dr. G. F. Becker, of the United States Geological Survey, states that analyses of the coal from Batan Island show that it equals the best Japanese coal. The report also states that it is altogether probable that in the near future the Philippine Islands will produce not only enough coal for their own supply but may furnish coal for a large part of the commerce of the Pacific, a fact of prime importance in determining the course of that commerce.

The importance of the development of this industry lies in the market that will be created for manufactures of such machinery as is necessary in the mining and handling of coal. Such development will also tend to increase the consumption of the staples in food and clothing.

13. CORK.

The following table gives the imports of cork into the Philippine Islands for the calendar year 1906 with a comparison of the imports into Porto Rico of this article from the United States and an estimate of what the value of the importations into the Philippines from the United States would have been had the same volume of trade existed here as in Porto Rico and the same proportion of total imports come from the United States:

[Exclusive of United States Government supplies.]

Article.	Philippine Islands.			Porto Rico, from United States.
	Total importa- tions.	From United States.		
		Actual.	Estimated. ^a	
Cork-----	\$19, 745	-----	\$86, 776	\$10, 847

* If same amount per capita as Porto Rico.

Nearly all of the cork imported into the Philippines comes in the shape of stoppers for bottles, the country furnishing the major portion of the cork used here being Spain.

There will hardly be any market for manufactured cork from the United States until free trade is established between the Philippines and the home country. American manufacturers should then control this market.

14. COTTON, AND MANUFACTURES OF.

The following table gives the imports of cotton and manufactures thereof into the Philippine Islands for the calendar year 1906 with a comparison of the imports into Porto Rico of these articles from the United States and an estimate of what the value of the importations into the Philippines from the United States would have been had the same volume of trade per capita existed here as in Porto Rico and the same proportion of total imports come from the United States:

[Exclusive of United States Government supplies.]

Article.	Philippine Islands.			Porto Rico, from United States.
	Total importa- tions.	From United States.		
		Actual.	Estimated.*	
Raw cotton.....	\$92, 124	\$90, 101		
Carpets.....	761	1		
Cloth:				
Closely woven.....	3, 456, 841	441, 313		
Loosely woven.....	1, 110, 837	29, 879		
Knit fabrics.....	772, 425	9, 540		
Quiltings and piques.....	9, 626	61		
Tulles and laces.....	45, 336	177		
Velveteens, etc.....	8, 830	33		
Waste.....	12, 553	1, 557		\$4, 634
Wearing apparel.....	57, 368	12, 530		425, 738
Yarn and thread.....	1, 251, 194	1, 852		16, 009
Unbleached.....				411, 311
Bleached.....				528, 706
Dyed, colored or printed.....				1, 644, 968
All other.....	257, 595	13, 845		646, 881
Total.....	7, 075, 490	600, 889	\$29, 425, 976	3, 678, 247

* If same amount per capita as Porto Rico.

Imports of manufactures of cotton into Porto Rico from the United States, fiscal years 1901 and 1906.

Article.	1901.	1906.
Cloths:		
Colored	\$659, 725	\$1, 220, 247
Uncolored	510, 661	371, 230
Wearing apparel	101, 701	279, 650
All other	112, 794	547, 994

NOTE.—The figures for the Philippines are for the calendar year 1906; those for Porto Rico are for the fiscal year ended June 30, 1907. The Government classification of cotton imports into Porto Rico differs greatly from the classification of Philippine imports. In the Porto Rican classifications of "unbleached," "bleached," and "dyed," the items correspond with the Philippine classifications of "closely woven" and "loosely woven" cloth.

The figures of imports of cotton cloths for 1906 are in excess of those for 1905 by over \$300,000, but the imports from the United States declined \$175,000. This is attributed to the unfavorable operation of the cotton schedule in the Philippines Tariff of 1905, which amounted, in effect, to discrimination against the most important of American manufactures of cotton that are generally used here. This accidental discrimination was corrected by an act of Congress which was approved February 26, 1906, and the fiscal year ended June 30, 1907, showed a recovery in the trade from the United States.

Great Britain has always furnished most of the cotton textiles imported into the Philippines. It is an unfavorable commentary that the United States should sell raw cotton to Great Britain, which is manufactured in England and then sold in United States territory almost to the exclusion of the American product.

The Philippines, like all tropical countries, are comparatively large users of cotton goods. During the period 1890 to 1894, which is the last under Spanish rule of which authentic record is available, the annual importation of cotton goods averaged \$5,902,578, which was more than 35 per cent of the total of all imports.

A study of the imports of cotton goods into Porto Rico from the United States proves very suggestive of the possibilities for this trade in the Philippines. Prior to the war with Spain, the United States sold a very small amount of the cottons that were imported into Porto Rico. At the present time she practically controls that trade. Under the same trade arrangements that Porto Rico has with the United States, the Philippines would soon be consuming as much per capita as Porto Rico is now doing and American manufactures would exercise the same control of the Philippines trade as they are now exercising in that of Porto Rico.

With a trade approximating nearly thirty millions of dollars in cotton goods in the Philippines, American manufacturers would be warranted in maintaining depots in Manila for supplying this trade, from which they would also be able to reach the trade of China. It is obvious that the prestige of American cotton goods would be greatly increased throughout the Orient by having a base of supply in Manila.

15. EARTHEN, STONE, AND CHINA WARE.

The following table gives the imports of goods under this head into the Philippine Islands for the calendar year 1906 with a comparison of the imports into Porto Rico of these articles from the United States and an estimate of what the value of the importations into the Philippines from the United States would have been had the same volume of

trade per capita existed here as in Porto Rico and the same proportion of the total imports come from the United States:

[Exclusive of United States Government supplies.]

Article.	Philippine Islands.			Porto Rico, from United States.
	Total importa- tions.	From United States.		
		Actual.	Estimated. ^a	
Earthen, stone, and china ware-----	\$129, 376	\$3, 395	\$288, 264	\$36, 033

^a If same amount per capita as Porto Rico.

Imports of earthen, stone, and china ware into Porto Rico from the United States, fiscal year—

1901	\$5,733
1906	39,878

There is but a small proportion of goods of this class contributed by the United States. China, Great Britain, and Germany have heretofore controlled the market in these Islands.

With an improvement in economic conditions in the Philippine Islands, which would naturally follow the establishment of free trade between the United States and the Philippines, the consumption of goods of this class would be largely increased and the United States would practically be in control of the market in all articles that are manufactured there.

It is to the interest of those engaged in the manufacture of earthen, stone, and china ware in the United States to assist in every way possible the enactment of legislation having for its object free trade between these Islands and the United States.

16. FERTILIZERS.

The following table gives the imports of this article into the Philippine Islands for the calendar year 1906 with a comparison of the imports into Porto Rico of this article from the United States and an estimate of what the value of the importations into the Philippines from the United States would have been had the same volume of trade per capita existed here as in Porto Rico and the same proportion of total imports come from the United States:

[Exclusive of United States Government supplies.]

Article.	Philippine Islands.			Porto Rico, from United States.
	Total importa- tions.	From United States.		
		Actual.	Estimated. ^a	
Fertilizers -----	\$11,696	\$2,613	\$2,109,144	\$263,643

^a If same amount per capita as Porto Rico.

Imports of fertilizers into Porto Rico from the United States, fiscal year—

1901	\$18,804
1906	246,002

This is an article that has been but little used in the Philippines on account of the primitive methods that still obtain among those engaged in agricultural pursuits, but with the development of the country a large business will be created, and there is hardly any doubt but that the use of fertilizers will reach to the same proportions that it has in Porto Rico.

17. FIBERS, GRASSES, ETC., AND MANUFACTURES OF.

The following table gives the imports of these articles into the Philippine Islands for the calendar year 1906 with a comparison of the imports into Porto Rico of these articles from the United States and an estimate of what the value of the importations into the Philippines from the United States would have been had the same volume of trade per capita existed here as in Porto Rico and the same proportion of total imports come from the United States:

[Exclusive of United States Government supplies.]

Article.	Philippine Islands.			Porto Rico. from United States.
	Total importa- tions.	From United States.		
		Actual.	Estimated.*	
Bags -----	\$104,808	\$430	\$232,624	\$29,078
Cordage -----	36,928	10,181	542,672	67,834
Twine, thread, etc -----	17,623	715	168,792	20,849
All other -----	258,307	3,184	423,160	52,895
Total -----	417,666	14,510	1,365,248	170,656

^a If same amount per capita as Porto Rico.

Imports of manufactures of vegetable fibers into Porto Rico from the United States, fiscal year—

1901	\$19,072
1906	246,002

The United States have shared but little in this trade, and most of the articles under this head that are imported into the Islands continue to come from China and the British East Indies.

There will be a large development in the trade on articles of this class and United States manufacturers should be alive to their opportunities. The consumption will easily reach the same proportions as it has in Porto Rico, and under reciprocal trade laws the market will practically belong to the United States.

In this connection there should be a profitable market created in machinery for the manufacture of bags, twine, cordage, etc.

The development of the agricultural industries of the Islands will create a great demand for all goods of this character.

18. FISH.

The following table gives the imports of fish into the Philippine Islands for the calendar year 1906 with a comparison of the imports into Porto Rico of this article from the United States and an estimate of what the value of the importations into the Philippines from the United States would have been had the same volume of trade per capita existed here as in Porto Rico and the same proportion of the total imports come from the United States:

[Exclusive of United States Government supplies.]

Article.	Philippine Islands.			Porto Rico. from United States.
	Total importa- tions.	From United States.		
		Actual.	Estimated. ^a	
anned (except salmon) -----	\$114,206	\$6,113	\$60,384	\$7,548
ried, smoked, or cured -----	36,621	10,432	3,375,128	421,891
ickled -----	242	242	38,672	4,834
almon -----	72,020	60,488	330,944	41,368
hellfish -----	52,391	4,566	8,736	1,092
ll other -----	2,392	245	6,776	847
Total -----	277,872	82,086	3,820,640	477,580

^a If same amount per capita as Porto Rico.

Imports of fish into Porto Rico from the United States fiscal years 1901 and 1906.

Article.	1901.	1906.
ried, smoked, or cured—Cod, haddock, hake, and pollock -----	\$254,154	\$436,108
ll other -----	60,341	78,794

The Philippines consume large quantities of fish, and while an almost limitless supply exists in the waters of the Archipelago, the importations of fish in various forms appear to increase steadily in consonance with the purchasing capacity of the people. The same characteristics are noted in Porto Rico, where the importations of fish average over one dollar per capita per annum, coming from the United States and British North America in about equal proportions. It is probable that the same per capita consumption of imported fish will be reached in the Philippines when economic conditions similar to those that have obtained in Porto Rico prevail here.

The establishment of free trade between the Philippines and the United States will so stimulate the industries of the Islands that the purchasing power of the people will be brought up to that of the people of Porto Rico and the market thus extended will belong almost entirely to the United States.

19. FRUITS AND NUTS.

The following table gives the imports of fruits and nuts into the Philippine Islands for the calendar year 1906 with a comparison of the imports into Porto Rico of these articles from the United States and an estimate of what the value of the importations into the Philippines from the United States would have been had the same volume of trade per capita existed here as in Porto Rico and the same proportion of total imports come from the United States:

[Exclusive of United States Government supplies.]

Article.	Philippine Islands.			Porto Rico, from United States.
	Total importa- tions.	From United States.		
		Actual.	Estimated.*	
Fruits:				
Green, ripe, or dried -----	\$80, 853	\$8, 412	\$233, 432	\$29, 179
Preserved -----	43, 330	19, 091	235, 056	29, 382
Nuts -----	70, 230	1, 850	20, 944	2, 618
Total -----	194, 413	29, 353	489, 432	61, 179

* If same amount per capita as Porto Rico.

Imports of fruits and nuts into Porto Rico from the United States in the fiscal year 1901 amounted to \$20,473.

Under the head of "Green, ripe, or dried fruits" imported into the Philippines are included apples to the value of \$13,767, of which a little less than \$3,000 worth came from the United States; raisins to the value of \$10,846, nearly all of which came from Spain, and miscellaneous fruits, consisting mostly of the products of China, to the value of \$56,240.

While there are many varieties of fine fruits produced in the Philippines, the species grown in temperate climates can not be successfully cultivated here, and for all of such there is a considerable market which will be extended as the purchasing capacity of the people is increased. Many of the fruits produced on the Pacific coast of the United States would be used here if the people were able to buy them and transportation facilities were improved.

Of preserved fruits, the United States have secured a fair proportion of the business that exists and the greatest possibilities await fruits put up in this shape. American packers should control this market and will do so if free trade between the United States and the Philippines is established.

There is a fair trade in the Philippines in nuts, which is capable of some extension, but heretofore China has contributed most of the nuts imported.

20. GAMES AND TOYS.

The following table gives the imports of games and toys into the Philippine Islands for the calendar year 1906 with a comparison of the imports into Porto Rico of these articles from the United States and an estimate of what the value of the importations into the Philippines from the United States would have been had the same volume of trade per capita existed here as in Porto Rico and the same proportion of total imports come from the United States:

[Exclusive of United States Government supplies.]

Article.	Philippine Islands.			Porto Rico, from United States.
	Total importa- tions.	From United States.		
		Actual.	Estimated. ^a	
Games and toys -----	\$87,647	\$3,691	\$166,744	\$20,843

^a If same amount per capita as Porto Rico.

Most of the goods of this class that are imported into the Philippines come from Spain, which furnished over \$46,000 worth in 1906 in a total of \$87,647. Germany stands second on the list with \$22,890 to her credit. The proportion furnished by the United States is very small.

Under free trade between the United States and the Philippines, American manufacturers should control this market, while the opening of United States markets to Philippine products would so stimulate industry in the Islands as to largely increase the demand for these, as well as other classes of manufactured goods.

21. GLASS AND GLASSWARE.

The following table gives the imports of glass and glassware into the Philippine Islands for the calendar year 1906 with a comparison of the imports into Porto Rico of these articles from the United States and an estimate of what the value of the importations into the Philippines from the United States would have been had the same volume of trade per capita existed here as in Porto Rico and the same proportion of total imports come from the United States:

[Exclusive of United States Government supplies.]

Article.	Philippine Islands.			Porto Rico, from United States.
	Total importa- tions.	From United States.		
		Actual.	Estimated.*	
Glass and glassware-----	\$154, 918	\$10, 170	\$606, 992	\$75, 874

^a If same amount per capita as Porto Rico.

Imports of glass and glassware into Porto Rico from the United States in the fiscal year 1901 amounted to \$19,830.

Of the total of glass and glassware imported into the Philippines in 1906, \$18,721 worth is represented by window glass.

There is very little window glass used in the Philippines, as a shell is found here in abundance which seems better suited for windows in this climate than glass.

There is some plate glass used here, but it comes from France and Germany.

Most of the glassware imported into the Philippines is contributed by Germany, which in 1906 furnished over \$50,000 worth in the total amount.

During the past three years a glass works has been in operation in Manila, which makes bottles for the local trade. The output is small, however, and it does not supply the demands of the one brewery of the Islands.

It would seem that the greatest possibilities for trade in this class of goods lies in hollow glassware, and under free trade United States manufacturers should control this market, while the stimulus that access to American markets would give to the agricultural interests of the Islands would very rapidly and very largely increase consumption.

22. GLUE.

The following table gives the imports of glue into the Philippine Islands for the calendar year 1906 with a comparison of the imports into Porto Rico of this article from the United States and an estimate of what the value of the importations into the Philippines from the United States would have been had the same volume of trade per capita existed here as in Porto Rico and the same proportion of total imports come from the United States:

[Exclusive of United States Government supplies.]

Article.	Philippine Islands.			Porto Rico, from United States.
	Total importa- tions.	From United States.		
		Actual.	Estimated. ^a	
Glue-----	\$17, 054	\$2, 953	\$44, 672	\$5, 584

^a If same amount per capita as Porto Rico.

While the market for glue is not large, still there is no reason why United States manufacturers should not supply what is imported.

There appears to have been a gradual increase in the consumption from year to year since American occupation, and with the growth of industry its use will naturally be extended.

Free trade between the United States and the Philippines should enable United States manufacturers to control this market.

23. GUNPOWDER AND EXPLOSIVES.

The following table gives the imports of gunpowder and explosives into the Philippine Islands for the calendar year 1906 with a comparison of the imports into Porto Rico of these articles from the United States and an estimate of what the value of the importations into the Philippines from the United States would have been had the same volume of trade per capita existed here as in Porto Rico and the same proportion of total imports come from the United States:

[Exclusive of United States Government supplies.]

Article.	Philippine Islands.			Porto Rico, from United States.
	Total importa- tions.	From United States.		
		Actual.	Estimated. ^a	
Gunpowder, etc -----	\$37, 182	\$33, 651	\$291, 216	\$36, 402

^a If same amount per capita as Porto Rico.

The amount of gunpowder imported into the Philippines, except what is brought in by the United States Government, is very small. In 1906 it amounted to only 1,341 pounds, valued at \$646. There have been considerable quantities of high explosives imported both by the Insular Government and contractors who are engaged on public works.

The whole of this trade has gone to the United States.

24. HORSE FEED.

The following table gives the imports of horse feed into the Philippine Islands for the calendar year 1906 with a comparison of the imports into Porto Rico of these articles from the United States and an estimate of what the value of the importations into the Philippines from the United States would have been had the same volume of trade per capita existed here as in Porto Rico and the same proportion of total imports come from the United States:

[Exclusive of United States Government supplies.]

Article.	Philippine Islands.			Porto Rico, from United States.
	Total importa- tions.	From United States.		
		Actual.	Estimated. ^a	
Hay -----	\$37, 798	\$37, 452	\$77, 520	\$9, 690
Fodder -----	68, 055	6, 365		
Bran -----	50, 498	9, 505	30, 360	3, 795
Oats -----	42, 075	28, 207	286, 928	35, 866
Total -----	198, 426	81, 529	394, 808	49, 351

^a If same amount per capita as Porto Rico.

Prior to American occupation there was practically no importation of products of this class. The feed of horses was native grass, called "zacate," and "palay" (which is unhulled rice).

The trade in hay and oats resulted from the example of the United States Army in importing and feeding them to the animals. Fodder was originally a product of Australia, which began coming in small quantities in 1899 and its use has increased steadily ever since. It consists of chopped hay, with a little grain mixed in, and is compressed into bales of about 100 pounds each. During the past two years some has been coming in from Seattle, and it is probable that the United States would control all of the trade in horse feed if reciprocal tariff arrangements could be effected, such as were proposed in the Payne bill which passed the House of Representatives of the Fifty-ninth Congress.

It is certainly to the interest of the farmers of the United States, and of the Pacific coast States especially, to use all influence possible in promoting this legislation.

At the present time most of the fodder imported comes from Australia, while a quantity of crushed food is imported from British East India.

25. INK.

The following table gives the imports of ink into the Philippine Islands for the calendar year 1906 with a comparison of the imports into Porto Rico of this article from the United States and an estimate of what the value of the importations into the Philippines from the United States would have been had the same volume of trade per capita existed here as in Porto Rico and the same proportion of total imports come from the United States:

[Exclusive of United States Government supplies.]

Article.	Philippine Islands.			Porto Rico, from United States.
	Total importa- tions.	From United States.		
		Actual.	Estimated. ^a	
Ink -----	\$9, 234	\$3, 043	\$41, 136	\$5, 142

^a If same amount per capita as Porto Rico.

Of the total shown of the imports into the Philippines, \$2,557 represents the imports of printers' ink.

The consumption of ink has never been great in the Philippines, but with the education of the masses of the people, which is going on steadily, there will be a gradual increase in the consumption and, if free trade is established with the United States, American manufacturers will naturally control this business.

26. INSTRUMENTS AND APPARATUS FOR SCIENTIFIC PURPOSES, INCLUDING TELEGRAPH, TELEPHONE, ETC.

The following table gives the imports of the articles under the above head into the Philippine Islands for the calendar year 1906 with a comparison of the imports into Porto Rico of these articles from the United States and an estimate of what the value of the importations into the Philippines from the United States would have been had the same volume of trade per capita existed here as in Porto Rico and the same proportion of total imports come from the United States:

[Exclusive of United States Government supplies.]

Article.	Philippine Islands.			Porto Rico, from United States.
	Total importa- tions.	From United States.		
		Actual.	Estimated. ^a	
Instruments, scientific, etc.....	\$194,239	\$159,141	\$896,536	\$112,067

^a If same amount per capita as Porto Rico.

Imports of instruments and apparatus for scientific purposes, etc., into Porto Rico from the United States in the fiscal year 1901 amounted to \$28,377.

There has been a steady increase in the imports of goods of this character into the Philippines since American occupation.

In 1903 the total value of imports amounted to	\$49,088
In 1904 to	52,394
In 1905 to	122,421

The United States contributed 50 per cent of the total in 1903; 68 per cent in 1904; over 80 per cent in 1905; and about the same proportion of the total in 1906.

Business in this line is practically in its infancy, and as the country develops, which it will do under free trade with the United States, the per capita consumption will easily reach that of Porto Rico, when the sale will approximate \$1,000,000 a year, all of which trade will be controlled by the United States manufacturers.

27. IRON AND STEEL.

The following table gives the imports of iron and steel into the Philippine Islands for the calendar year 1906 with a comparison of the imports into Porto Rico of these articles from the United States and an estimate of what the value of the importations into the Philippines from the United States would have been had the same volume of trade per

capita existed here as in Porto Rico and the same proportion of total imports come from the United States.

[Exclusive of United States Government supplies.]

Article.	Philippine Islands.			Porto Rico, from United States.
	Total importa- tions.	From United States.		
		Actual.	Estimated.*	
Pig iron	\$11,006		\$4,816	\$602
Bar iron	51,936	\$1,787	118,024	14,753
Bars and rods, steel	29,508	6,619	178,960	22,370
Hoops, bands, etc	211	82	20,952	2,619
Rails, steel	65,816	32,042	2,430,048	303,756
Sheets and plates:				
Iron	321,918	33,878	1,639,192	204,899
Steel	68,873	51,744	70,016	8,752
Structural iron and steel	51,706	6,783	796,928	99,616
Wire and cables	46,544	22,928	474,760	59,345
Builders' hardware:				
Locks, hinges, etc	29,110	15,642	474,168	59,271
Saws	2,130	1,339	28,392	3,549
Tools	94,432	43,189	405,368	50,671
Total	125,672	60,170	907,928	113,491
Car wheels	3,497	1,779	60,680	7,585
Castings, other	72,108	16,089	321,920	40,240
Cutlery:				
Table	4,878	502	19,352	2,419
All other	47,425	11,809	115,968	14,496
Total	52,303	12,311	135,320	16,915
Needles, pins, etc	27,295	6,816		
Firearms	12,511	7,501	129,952	16,244
Cash registers	799	799	22,920	2,865
Electrical machinery	61,499	52,476	194,272	24,284
Printing presses	3,893	818	23,768	2,971
Pumps, etc	11,211	8,463	905,688	113,211
Sewing machines	43,787	11,823	1,266,448	158,306
Steam engines and parts:				
Boilers, etc	41,489	13,315	1,876,072	234,509
Fire engines			10,440	1,305
Locomotive	86,226	2,190	514,216	64,277
Stationary	36,376	21,518	353,560	44,195
Total	164,091	37,023	2,754,288	344,286
Typewriters	35,077	30,381	255,064	31,883
All other machinery	354,960	164,435	10,850,360	1,356,295
Nails and spikes:				
Cut	2,957	1,221	7,048	881
Wire	38,173	24,606	327,720	40,965
All other	25,495	9,551	72,576	9,072
Total	66,625	35,378	407,344	50,918
Pipes and fittings	42,737	30,160	1,468,840	183,605
Saws	4,800	2,412	50,128	6,266
Scales	9,505	7,180	136,664	17,083
Stoves and ranges	10,580	4,892	63,304	7,913
All other	289,194	60,362	3,337,016	417,127
Total iron and steel, and manufactures	2,039,662	707,131	29,025,600	3,628,200

* If same amount per capita as Porto Rico.

NOTE.—No figures are given under the head of "Needles, pins, etc.," for Porto Rico, as the statistics for that island include these items under a different heading. The same is true of "Fire engines" in the case of the Philippines.

The annual average of imports of iron and steel, and manufactures of, into the Philippines for the years 1890 to 1894, inclusive, the last period under Spanish rule of which authentic record is available, amounted to \$721,553.

Imports of iron and steel, and manufactures of, into Porto Rico from the United States, fiscal years 1901 and 1906.

Article.	1901.	1906.
Rails for railways, steel	\$20, 436	\$132, 756
Sheets and plates	14, 139	148, 905
Structural iron and steel	10, 726	72, 031
Wire	19, 452	55, 734
Builders' hardware, saws, and tools	36, 784	75, 526
Machinery, machines, and parts of:		
Pumps and pumping machinery	11, 417	159, 513
Sewing machines and parts of	6, 285	198, 446
Steam engines, and parts of:		
Locomotives	5, 000	65, 916
All other parts of	37, 383	238, 398
All other	128, 825	1, 185, 982
Nails and spikes, wire	8, 702	36, 294
Pipes and fittings	38, 547	232, 323
All other	93, 881	638, 825
Total	431, 577	3, 240, 649

Next to manufactures of cotton, and approaching very closely in value to them, the manufactures of iron and steel occupy the most important position in the list of imports into the Philippine Islands.

Prior to American occupation very little of this business—in fact, none of it—went to the United States; but there has been a gradual increase of the proportion furnished by American manufacturers and in some items they have gained control of this market.

In the heavier articles, such as pig and bar iron, iron sheets, etc., the United Kingdom continues to furnish the greater share.

In steel rails, steel sheets and plates, wire, and wire cables the United States occupy first position. They are also supplying the greater proportion of builders' hardware, and have gained second place on the list in cutlery; Germany, however, continues to supply nearly half of the total cutlery imported into the Islands.

All of the cash registers used here come from the United States and most of the electrical machinery.

Germany furnishes most of the sewing machines that are brought in, the value of the imports from that country being \$31,488 in 1906, as against \$11,823 from the United States.

In boilers, parts of engines and locomotives, Great Britain has a strong lead.

In stationary engines, the United States stands first with a total of \$21,518, while Great Britain comes second with \$13,316.

Practically all of the typewriting machines used here are of American manufacture, while in miscellaneous machines and apparatus not otherwise classified, the United States comes first with \$115,659, Great Britain second with \$37,559, and France third with \$37,002.

The United States shows a strong lead in nails, especially those made from wire; also in pipes and fittings and scales.

There are comparatively few stoves and ranges used in the Philippines, as none are required for heating purposes and the majority of the people use a native arrangement built of masonry, or cook over an open fire.

The importance of the trade of the Philippines in iron and steel and their manufactures can not be overestimated. The country is new and practically undeveloped; while the chief wealth is agriculture, mining promises to become a very important factor in the development of the country, as good deposits of gold, copper, and coal have been discovered in several sections of the Islands and prospecting has hardly yet begun; but there is no industry, whether active or projected, that will not require an equipment contributing to the trade in iron and steel.

The comparison of the imports into the Philippines with those of Porto Rico furnishes a very interesting study. The figures show that if the Philippines were importing as much per capita as Porto Rico now purchases in the United States alone, the total would be thirteen times as great as it is. If the Philippines occupied the same position in the matter of trade relations with the United States as does Porto Rico, this entire business would go to the home country.

American manufacturers should be alive to the opportunities that are to-day present in the Philippines. All that is required to bring these Islands up to the same measure of development as has been recorded by Porto Rico is equal privileges in the markets of the United States for their products.

An example of the possibilities for trade in the Philippines is strikingly given by the need in one industry alone. There is not a sugar mill in use in the Islands that will not have to be replaced by one of modern construction within ten years' time, if the industry is properly prosecuted. Forty mills, capable of turning out 10,000 tons of sugar each per season, will be necessary to handle the cane that will be grown after the Islands have experienced free trade with the United States for that length of time. This means an expenditure for sugar mills of from twenty to thirty millions of dollars.

28. JEWELRY, PLATED WARE, AND OTHER MANUFACTURES OF GOLD AND SILVER.

The following table gives the imports of jewelry and other manufactures of gold and silver into the Philippine Islands for the calendar year 1906 with a comparison of the imports into Porto Rico of these articles from the United States and an estimate of what the value of the importations into the Philippines from the United States would have been had the same volume of trade per capita existed here as in Porto

Rico and the same proportion of total imports come from the United States:

[Exclusive of United States Government supplies.]

Article.	Philippine Islands.			Porto Rico, from United States.
	Total importa- tions.	From United States.		
		Actual.	Estimated. ^a	
Jewelry -----	\$91,324	\$18,348	\$70,040	\$8,755
Plated ware -----	28,897	11,162	70,416	8,802
All other manufactures -----	33,545	8,718	27,088	3,386
Total -----	153,766	38,228	167,544	20,943

^a If same amount per capita as Porto Rico.

Importations of goods of this class were lighter in 1906 than for several years preceding. Most of the jewelry comes from France, which country has always contributed most heavily in articles of this character.

The Filipinos take readily to jewelry and all articles in gold and silver and buy them freely when able to do so.

A rejuvenation of the agricultural industries of the Islands, which would be effected by the establishment of free trade between the Philippines and the United States, would create a great demand for these goods and American manufacturers would naturally control this market.

29. LAMPS, CHANDELIERS, ETC.

The following table gives the imports of lamps, chandeliers, etc., into the Philippine Islands for the calendar year 1906 with a comparison of the imports into Porto Rico of these articles from the United States and an estimate of what the value of the importations into the Philippines from the United States would have been had the same volume of trade per capita existed here as in Porto Rico and the same proportion of total imports come from the United States:

[Exclusive of United States Government supplies.]

Article.	Philippine Islands.			Porto Rico, from United States.
	Total importa- tions.	From United States.		
		Actual.	Estimated. ^a	
Lamps, chandeliers, etc-----	\$50, 177	\$20, 129	\$196, 216	\$25, 527

^a If same amount per capita as Porto Rico.

Germany continues to furnish most of the goods of this class imported, although importations from the United States show an increase from year to year.

In 1904 the imports from the United States were	\$1,131
In 1905	4,663
In 1906	7,176

The total imports have also shown an increase, although not as great proportionately as in the increase of the United States trade.

Reciprocal trade relations between the Philippines and the United States would result in greatly stimulating the consumption of these goods in the Islands and at the same time give American manufacturers control of this market.

30. LEAD, AND MANUFACTURES OF.

The following table gives the import of lead and manufactures of into the Philippine Islands for the calendar year 1906 with a comparison of the imports into Porto Rico of these articles from the United States and an estimate of what the value of the importations into the Philippines from the United States would have been had the same volume of trade per capita existed here as in Porto Rico and the same proportion of total imports come from the United States:

[Exclusive of United States Government supplies.]

Article.	Philippine Islands.			Porto Rico, from United States.
	Total importa- tions.	From United States.		
		Actual.	Estimated. ^a	
Pigs, bars, etc.....	\$7, 924	\$884	\$19, 616	\$2, 452
All other.....	18, 282	4, 446	222, 952	27, 869
Total.....	26, 206	5, 330	242, 568	30, 321

^a If same amount per capita as Porto Rico.

The consumption of lead in various forms will naturally increase with the development of the country, and this development depends largely upon the action of Congress in regard to reciprocal trade legislation. If free trade is established between the United States and the Philippines, a great impetus will be given to industries of all kinds in the Islands, while American manufacturers will control this market for their goods. It is demonstrated by the results attained in Porto Rico, as is apparent in the above comparative table.

31. LEATHER, AND MANUFACTURES OF.

The following table gives the imports of leather and manufactures thereof into the Philippine Islands for the calendar year 1906 with a comparison of the imports into Porto Rico of these articles from the United States and an estimate of what the value of the importations into the Philippines from the United States would have been had the same volume of trade per capita existed here as in Porto Rico and the same proportion of total imports come from the United States:

[Exclusive of United States Government supplies.]

Article.	Philippine Islands.			Porto Rico, from United States.
	Total importa- tions.	From United States.		
		Actual.	Estimated.*	
Leather:				
Sole -----	\$1, 867	\$1, 611	\$9, 376	\$1, 172
Upper -----	19, 926	12, 505	566, 968	70, 871
All other -----	54, 218	26, 605	106, 776	13, 347
Total leather -----	76, 011	40, 721	683, 120	85, 390
Manufactures:				
Boots and shoes -----	271, 600	169, 296	3, 353, 464	419, 158
Harness and saddles -----	6, 397	2, 319	262, 680	32, 835
All other -----	59, 744	23, 958	557, 784	65, 973
Total manufactures -----	337, 741	195, 573	4, 143, 728	517, 966
Total leather and manufactures -----	413, 752	236, 294	4, 826, 848	603, 356

^a If same amount per capita as Porto Rico.

Imports of leather and manufactures of into Porto Rico from the United States in the fiscal year 1901 amounted to \$86,724.

The United States is now furnishing a fair proportion of the leather imported into the Philippine Islands, although prior to American occupation very little, if any, of the trade in leather or leather articles went to that country.

The principal import under this head is boots and shoes. In Spanish times Spain furnished most of these imported into the Islands. In 1894, the last year under Spanish rule of which record is available, boots and shoes were imported into the Philippines to the value of 183,168 pesos, of which Spain contributed 116,625 pesos. The value of the peso in that year was 64 cents, United States currency.

Since American occupation the United States has gained steadily in this trade and now occupies first place.

In 1901 the importations from the United States were valued at.....	\$20,366
In 1902	50,719
In 1903	82,991
In 1904	100,144
In 1905	200,644

There was a falling off in the total importations in 1906 from 1905 of about \$130,000. The decrease in the importations from the United States was only \$31,000, however, while the imports from Spain fell off from \$175,469 in 1905 to \$84,849 in 1906.

The use of boots and shoes by the masses of the people is becoming more general, and a good market will be furnished by the Philippines as economic conditions become more favorable in the Islands.

The comparative figures shown in the table indicate the possibilities in the growth of this trade. Reciprocal trade arrangements between the Philippines and the United States will very quickly bring the Islands up to the same measure of production and consumption as has been attained by Porto Rico under those conditions.

32. MUSICAL INSTRUMENTS.

The following table gives the imports of musical instruments into the Philippine Islands for the calendar year 1906 with a comparison of the imports into Porto Rico of these articles from the United States and an estimate of what the value of the importations into the Philippines from the United States would have been had the same volume of trade per capita existed here as in Porto Rico and the same proportion of total imports come from the United States:

[Exclusive of United States Government supplies.]

Article.	Philippine Islands.			Porto Rico, from United States.
	Total importa- tions.	From United States.		
		Actual.	Estimated. ^a	
Pianos-----	\$18,654	\$992	\$187,216	\$23,402
All other-----	32,376	10,012	98,512	12,314
Total-----	51,030	11,004	285,728	35,761

^a If same amount per capita as Porto Rico.

The Filipinos are a music-loving people, and buy freely of goods of this character when able to do so. Pianos are to be found in the houses of all Filipinos of the better class, while among the masses of the people the purchase of a piano is one of the first indications of approach to affluence.

As the country is developed and economic conditions are improved, a good field will be opened in the Philippines for the sale of musical instruments of all descriptions. Under free-trade arrangements this condition will obtain, while American manufacturers, on the other hand, will control this market.

33. OILCLOTHS.

The following table gives the imports of oilcloths into the Philippine Islands for the calendar year 1906 with a comparison of the imports into Porto Rico of this article from the United States and an estimate of what the value of the importations into the Philippines from the United States would have been had the same volume of trade per capita existed here as in Porto Rico and the same proportion of total imports come from the United States:

[Exclusive of United States Government supplies.]

Article.	Philippine Islands.			Porto Rico. from United States.
	Total importa- tions.	From United States.		
		Actual.	Estimated. ^a	
Oilcloths -----	\$16, 910	\$11, 031	\$76, 984	\$9, 623

^a If same amount per capita as Porto Rico.

The United States supply most of the oilcloth imported into the Philippines; even in Spanish times there were some importations of oilcloth from the United States. In 1894, in a total of imports of 27,208 pesos, the United States contributed 7,590 pesos' worth and England 13,580 pesos' worth. The peso was then worth 64 cents, United States currency.

Trade in this, as in all other lines, will naturally improve as economic conditions become more favorable. This will follow reciprocal trade arrangements with the United States, which will give Philippine products access to those markets and at the same time place United States manufacturers in control of the Philippine market for the sale of their goods.

34. OILS, PARAFFIN, AND WAX.

The following table gives the imports of oils, paraffin, and wax into the Philippine Islands for the calendar year 1906 with a comparison of the imports into Porto Rico of these articles from the United States and an estimate of what the value of the importations into the Philippines from the United States would have been had the same volume of trade per capita existed here as in Porto Rico and the same proportion of total imports come from the United States:

[Exclusive of United States Government supplies.]

Article.	Philippine Islands.			Porto Rico, from United States.
	Total importa- tions.	From United States.		
		Actual.	Estimated. ^a	
Oils:				
Animal -----	\$2,157	\$452	\$5,072	\$634
Mineral—				
Petroleum, crude -----	1,219	1,120	9,792	1,224
Refined—				
Naphtha -----	6,476	6,455	142,128	17,766
Illuminating -----	448,219	276,324	1,208,104	151,013
Lubricating -----	54,693	48,609	334,216	41,777
Other refined -----	11,289	1,731		
Total refined -----	520,677	333,119	1,684,448	210,556
Total mineral -----	521,896	334,239	1,694,240	211,780
Vegetable—				
Olive -----	39,423	31		
Linseed -----	42,886	3,032	179,648	22,456
Cotton seed -----			296,576	37,072
Essential -----	5,655	129	33,936	4,242
All other -----	35,788	1,122	14,536	1,817
Total vegetable -----	123,752	4,314	524,696	65,587
Total animal, mineral, and vegetable -----	647,805	339,005	2,224,008	278,001
Paraffin and wax, including candles -----	116,709	15,611	669,592	83,699

^a If same amount per capita as Porto Rico.

Imports of oil into Porto Rico from the United States in the fiscal year 1901 amounted to \$81,794.

The principal item among the imports of oils into the Philippine Islands is petroleum, which is used extensively throughout the Islands for illuminating purposes.

Prior to the period of American occupation, oil and wheat flour represented the only two items imported from the United States into the Philippines in any considerable quantity.

Of late years Russian petroleum has been contesting this market with the United States and in 1903 and 1904 the imports were divided almost equally between the two countries. In 1906 the imports from Russia dropped off very materially, but the difference was made up largely of oil from the Dutch East Indies.

Under free trade between the United States and the Philippines, the United States would, of course, control the Philippine market in articles of this character, while the consumption in the Philippines would be largely extended as the agricultural industries developed with free access to American markets for their products.

A study of the comparative figures in the table will give some idea of the possibilities in the way of increase in trade. In 1894 (the last year under Spanish rule of which record is available) the importations of various mineral oils into the Philippines amounted in value to 1,409,710 pesos; of this the United States contributed 426,755 pesos; China, 203,755 pesos; and Russia, 750,775 pesos. The value of the peso in 1894 was 64 cents, United States currency. It is probable that most of the oil imported from China was of American origin.

The figures on paraffin and wax, including candles, do not give an adequate conception of the consumption of candles in the Philippine Islands. The Chinese import a large quantity of tallow from which candles are made here, and what are imported are of the better grade used in carriage lamps, etc. Vast quantities of candles of home manufacture are used in the churches and by the people in their religious processions and observations. There is, however, available to American manufacturers all of the trade in imported candles that now goes to foreign countries.

In the total importations into the Philippines \$53,693 is represented by candles and \$63,016 by paraffin and wax. In the importations into Porto Rico from the United States, all but \$362 is represented by candles.

35. PAINTS, PIGMENTS, ETC.

The following table gives the imports of paints, pigments, etc. into the Philippine Islands for the calendar year 1906 with a comparison of the imports into Porto Rico of these articles from the United States and an estimate of what the value of the importations into the Philippines from the United States would have been had the same volume of trade per capita existed here as in Porto Rico and the same proportion of total imports come from the United States:

[Exclusive of United States Government supplies.]

Article.	Philippine Islands.			Porto Rico, from United States.
	Total importa- tions.	From United States.		
		Actual.	Estimated. ^a	
Carbon, gas and lampblack -----	\$2, 658	\$261	\$1, 056	\$132
Linseed oil -----	42, 886	3, 032	179, 648	22, 456
Turpentine -----	18, 846	11, 573		
Varnish -----	19, 035	15, 273	34, 280	4, 285
All other -----	135, 040	18, 960	464, 840	58, 105
Total -----	218, 465	49, 099	679, 824	84, 978

^a If same amount per capita as Porto Rico.

The following shows importations in 1894, the last year under Spanish rule of which authentic record is available:

Varnishes	Pesos. 7,222
The principal countries contributing and the value of the importation furnished by each were—	
United States	3,290
England	2,335
Paints, dry, and in tins	11,118
The principal countries contributing and the value of the importation furnished by each were—	
Spain	1,923
Germany	2,960
England	2,860

The value of the peso in 1894 was 64 cents, United States currency.

Imports of paints, pigments, and colors into Porto Rico from the United States, fiscal year—

1901	\$13,865
1906	51,386

Under the head of "Paints" most of the goods that are imported into the Philippine Islands come from Great Britain. The United States are third on the list, the imports from Germany exceeding those from the United States by about \$2,000. There has, however, been a steady increase in the proportion furnished by the United States since American occupation.

In varnish the United States contributes over four-fifths of the total imports and almost as large a proportion of the turpentine.

The trade in paints and colors would grow rapidly with any material improvement in the economic conditions of the Islands. Free trade between the Philippines and the United States would give an impetus to the agricultural industries of the Islands which would soon cause the consumption of all manufactured articles to equal that of Porto Rico's per capita and American manufacturers would then be in control of this market.

36. PAPER, AND MANUFACTURES OF.

The following table gives the imports of paper and manufactures thereof into the Philippine Islands for the calendar year 1906 with a

comparison of the imports into Porto Rico of these articles from the United States and an estimate of what the value of the importations into the Philippines from the United States would have been had the same volume of trade per capita existed here as in Porto Rico and the same proportion of total imports come from the United States:

[Exclusive of United States Government supplies.]

Article.	Philippine Islands.			Porto Rico, from United States.
	Total importa- tions.	From United States.		
		Actual.	Estimated. ^a	
Printing paper -----	\$66, 264	\$31, 774	\$72, 944	\$9, 118
Writing paper and envelopes -----	55, 436	27, 418	297, 008	37, 126
All other ^b -----	319, 754	66, 066	1, 210, 152	151, 269
Total -----	441, 454	125, 258	1, 580, 104	197, 513

^a If same amount per capita as Porto Rico.

^b Under this head are included blank books, headed paper, straw paper and board, wrapping paper, paper bags, boxes, etc.

Imports of paper and manufactures of into Porto Rico from the United States, fiscal year—

1901	\$66,507
1906	171,812

The United States are now furnishing a considerable proportion of goods of this class, and the business they control has developed entirely since American occupation of the Islands.

There is room for a large increase in the consumption of paper in its various forms, and with free trade established between the United States and the Philippines, this growth will keep pace with the development of the country under the stimulus that access to American markets will give to agricultural industries in the Islands. On the other hand, manufacturers in the United States will be in a position to control all of the trade existing here and that will develop.

37. PERFUMERY AND COSMETICS.

The following table gives the imports of perfumery and cosmetics into the Philippine Islands for the calendar year 1906 with a comparison of the imports into Porto Rico of these articles from the United States and an estimate of what the value of the importations into the Philippines from the United States would have been had the same volume of trade per capita existed here as in Porto Rico and the same proportion of total imports come from the United States:

[Exclusive of United States Government supplies.]

Article.	Philippine Islands.			Porto Rico, from United States.
	Total importa- tions.	From United States.		
		Actual.	Estimated. *	
Perfumery and cosmetics -----	\$63, 236	\$9, 873	\$253, 632	\$31, 704

^a If same amount per capita as Porto Rico.

The Filipinos use goods of this nature very freely when able to purchase them.

France has always furnished the large part of imports of such goods, and while the United States now occupy second place, there is so great a difference between the amount imported from the United States and from France that relatively the amount contributed by the former is insignificant.

Under favorable economic conditions the Philippines would easily consume as much per capita as Porto Rico. Free trade between the Islands and the United States would stimulate the business in this as in all other imports and American manufacturers would naturally control the market.

38. PROVISIONS.

The following table gives the imports of provisions into the Philippine Islands for the calendar year 1906 with a comparison of the imports into Porto Rico of these articles from the United States and an estimate of what the value of the importations into the Philippines from the United States would have been had the same volume of trade per capita existed here as in Porto Rico and the same proportion of total imports come from the United States:

[Exclusive of United States Government supplies.]

Article.	Philippine Islands.			Porto Rico, from United States.
	Total importa- tions.	Actual.	Estimated. ^a	
Beef products:				
Canned.....	\$7,574	\$7,157	\$137,844	\$17,293
Fresh.....	401,681			
Salt.....			100,984	12,623
Other cured.....			44,696	5,587
Tallow.....	6,254		2,600	325
Hog products:				
Bacon.....	11,426	6,400	83,208	10,401
Ham.....	141,360	18,448	2,621,440	340,180
Lard.....	171,281	9,118	2,566,872	320,859
Lard compound and substitutes.....	10,526	10,073	2,207,064	275,883
Pork—				
Canned.....	213	172	41,360	5,420
Salted.....			4,324,432	540,554
Fresh.....	32,476			
Mutton.....	26,133			
Oleomargarin, etc.....	33,115	816		
Sausage, and products.....			989,488	123,686
Poultry and game.....	6,670	260	5,696	712
All other.....	94,036	41,636	177,400	22,175
Dairy products:				
Butter.....	82,445	521	697,784	87,223
Cheese.....	38,909	529	1,380,400	172,550
Milk.....	319,671	111,321	497,832	62,229
Total provisions.....	1,383,770	206,451	15,981,640	1,997,705

^a If same amount per capita as Porto Rico.

Imports of meat and dairy products into Porto Rico from the United States, fiscal years 1901 and 1906.

Article.	1901.	1906.
Meat products:		
Hams.....	\$55,623	\$317,877
Pork, salt or pickled.....	296,409	484,367
Lard.....	289,671	273,350
Lard compounds and substitutes.....	7,593	255,046
Sausage, and sausage meats.....	18,450	109,846
All other.....	181,588	73,374
Dairy products:		
Butter.....	34,170	86,550
Cheese.....	74,621	146,310
Milk.....	2,876	53,951
Total.....	961,001	1,800,671

The extent to which the importations of goods of this character, coming in from the United States, may be increased depends almost entirely upon the action of the American Congress upon free-trade legislation as between the Philippines and the United States.

Very little of the meat consumed in the Islands is raised here. Large numbers of cattle are imported each year for slaughter. In 1906 the value of such importations amounted to \$949,011, of which \$869,020 worth came from China. The \$401,681 worth of fresh beef which was imported was brought from Australia in refrigerator ships. These figures do not include the large quantities purchased by the United States Army and Navy in the Islands, which also came from Australia.

If free trade were established between the United States and the Philippines, it would not only give a great stimulus to the consumption of all imported articles in the Islands but it would so largely increase the importations from the United States that direct lines of ships would be necessary to handle the commerce, and it is probable that most of the trade which now goes to Australia for breadstuffs and provisions, including what is consumed by the United States Army and Navy, would be diverted.

The business that at present exists in canned beef goes largely to the United States.

The United States also furnishes a fair proportion of the bacon that is consumed here, but the ham and lard that are imported are usually furnished in the greater part by China. Australia contributes about the same amount of ham as the United States, while the United Kingdom has only four thousand dollars less to her credit.

The pork and mutton imported come from Australia, and conditions of trade in these articles are about the same as apply to beef.

A large proportion of the butter consumed in the Islands is also brought from Australia. Part of it comes packed in one pound cans, while the Manila trade is supplied principally by fresh roll butter imported in cold storage.

The trade in cheese is largely controlled by Great Britain and the Netherlands.

The importations of milk are made up of 51,384 gallons of what is classified as "fresh milk," which comes in cans from Switzerland and Italy principally, and 3,912,556 pounds of evaporated or condensed milk, of which the United States have furnished a steadily increasing proportion since American occupation. The value of the importations of milk from the United States during the years since 1900 is shown in the following table:

In 1900	\$14,653
In 1901	21,364
In 1902	48,172
In 1903	61,406
In 1904	88,876
In 1905	98,770
In 1906	111,321

Great Britain stands first on the list in importance of contributors of this item of imports.

The comparative figures given in the above table, wherein is suggested the possibilities for the United States for trade in the Philippines, offer an important subject for the consideration of American producers and manufacturers. With the same per capita trade in the Philippines that she now controls in Porto Rico, the United States would be selling to these Islands fifty times as much beef products as they do now; they would multiply their present trade here in hog products by one hundred and seventy-eight, and in dairy products by twenty-five.

39. RUBBER, AND MANUFACTURES OF.

The following table gives the imports of rubber and manufactures thereof into the Philippine Islands for the calendar year 1906 with a comparison of the imports into Porto Rico of these articles from the United States and an estimate of what the value of the importations into the Philippines from the United States would have been had the same volume of trade per capita existed here as in Porto Rico and the same proportion of total imports come from the United States:

[Exclusive of United States Government supplies.]

Article.	Philippine Islands.			Porto Rico. from United States.
	Total importa- tions.	From United States.		
		Actual.	Estimated. ^a	
Belting, hose, etc.....	\$24,837	\$17,711	\$158,986	\$19,873
Boots and shoes.....	10,439	7,193	6,048	756
All other.....	80,627	51,767	287,080	35,885
Total	115,903	76,671	452,112	56,514

^a If same amount per capita as Porto Rico.

Imports of manufactures of india rubber into Porto Rico from the United States, fiscal year—

1901	\$9,354
1906	50,268

The imports of manufactures of rubber have increased largely since American occupation. In 1894, the last year under Spanish rule of which authentic record is available, rubber goods to the value of \$18,039 were imported.

The proportion of the trade controlled by United States manufacturers is quite satisfactory and has been gained altogether since American occupation.

The Philippines will some day produce large quantities of crude rubber. Rubber trees and vines of almost every variety appear to thrive in different sections of the Archipelago, and as soon as the business of growing rubber trees is entered into systematically, it is certain to assume important proportions. All that is necessary to stimulate it is capital which can afford to wait for the growth of trees to a producing age.

In 1906 the United States imported unmanufactured rubber to the value of \$56,035,302; none of this was produced in American territory. There is no reason why the Philippines should not ultimately produce all of the rubber that is consumed in the United States, while the United States in turn would sell to the Philippines what is consumed here in manufactured form.

Free trade between the Philippines and the United States is the great essential in the development of industry in the Islands, as it will give assurance to capital of a permanent market for the products of industry that it may create or develop.

40. SILK, AND MANUFACTURES OF.

The following table gives the imports of silk and manufactures thereof into the Philippine Islands for the calendar year 1906 with a comparison of the imports into Porto Rico of these articles from the United States and an estimate of what the value of the importations into the Philippines from the United States would have been had the same volume of trade per capita existed here as in Porto Rico and the same proportion of total imports come from the United States:

[Exclusive of United States Government supplies.]

Article.	Philippine Islands.			Porto Rico. from United States.
	Total importa- tions.	From United States		
		Actual.	Estimated. ^a	
Knit fabrics	\$3,386	\$53		
Tulles and laces	23,745	29		
Velvets	15,995	6		
Yarn and thread	128,778	723		
All other	185,156	4,043		
Total	357,060	4,854	\$840,664	\$105,083

^a If same amount per capita as Porto Rico.

Imports of manufactures of silk into Porto Rico from the United States,
fiscal year—

1901	\$1,620
1906	97,718

Practically all of the silk imported into the Islands comes in manufactured form. The United States shares to an insignificant extent in this trade. France, Germany, China, and Spain contribute most of the tulles and laces, in the order named. Germany is the largest contributor of velvets and plushes, with the United Kingdom next. Nearly all of the yarn and thread imported comes from China, while France leads in articles not classified, Japan standing second on the list and China, Germany, and the United Kingdom follow in order in the proportion furnished.

Under reciprocal trade arrangements between the Philippines and the United States all goods of this character should be furnished by American manufacturers. Free access to American markets will give an impetus to the agricultural industries of the Islands, and thus greatly increase the consuming power of the people, while the United States would, in turn, control the Philippine markets.

The figures in the above table, showing the present consumption in Porto Rico, form a very interesting study and suggest the possibilities for trade in this one article in the Philippines.

41. SOAP.

The following table gives the imports of soap into the Philippine Islands for the calendar year 1906 with a comparison of the imports into Porto Rico of this article from the United States and an estimate of what the value of the importations into the Philippines from the United States would have been had the same volume of trade per capita existed here as in Porto Rico and the same proportion of total imports come from the United States:

[Exclusive of United States Government supplies.]

Article.	Philippine Islands.			Porto Rico, from United States.
	Total importa- tions.	From United States.		
		Actual.	Estimated.*	
Common -----	\$21,308	\$8,281		
Toilet -----			\$122,728	\$15,341
All other -----	28,766	7,536	1,900,672	237,584
Total -----	50,024	15,817	2,023,400	252,925

^a If same amount per capita as Porto Rico.

Imports of soap into Porto Rico from the United States, fiscal year—

1901	\$27,348
1906	247,038

The great bulk of common soap consumed in the Philippines is manufactured by the Chinese here in a small way and practically without machinery.

The figures on importations into the Philippines indicate that there has been a steady increase in the consumption of the imported article since American occupation.

Of the common soap imported into the Islands, the United States is the largest individual contributor, the United Kingdom standing second on the list.

Of "All other" soaps—which is principally toilet soap in the Philippines table and common soap in that of Porto Rico—the United Kingdom leads with \$10,348 worth, while the United States is second with \$7,536.

The comparative figures of the exports of soap to Porto Rico from the United States are very interesting in the suggestion they convey of the possibilities for trade with the Philippines on the part of American manufacturers. The removal of all tariff barriers between the Philippines and the United States would greatly stimulate the agricultural industries of the Islands, and thus increase the consuming power of the people, while United States manufactures would practically control this market.

42. SPIRITS, WINES, AND MALTED LIQUORS.

The following table gives the imports of spirits, wines, and malted liquors into the Philippine Islands for the calendar year 1906 with a comparison of the imports into Porto Rico of these articles from the United States and an estimate of what the value of the importations into the Philippines from the United States would have been had the same volume of trade per capita existed here as in Porto Rico and the same proportion of total imports come from the United States:

[Exclusive of United States Government supplies.]

Article.	Philippine Islands.			Porto Rico, from United States.
	Total importa- tions.	From United States.		
		Actual.	Estimated.*	
Spirits:				
Brandy.....	\$21,486	\$31	\$17,360	\$2,170
Whiskies, etc.....	179,390	52,490	63,712	7,964
Total spirits.....	200,876	52,521	81,072	10,134
Wines:				
In bottles.....	33,631	978		
In other packages.....	114,860	1,608		
Sparkling and cordials.....	36,333	166		
Total wines.....	184,824	2,752	803,560	100,445
Malt liquors:				
Beer.....	156,220	97,681		
All other.....	28,176	5,579		
Total malt liquors.....	184,396	103,260	1,566,864	195,858
Grand total.....	570,096	158,533	2,451,496	306,437

* If same amount per capita as Porto Rico.

Imports of spirits, wines, and malt liquors into Porto Rico from the United States, fiscal years 1901 and 1906.

Article.	1901.	1906.
Malt liquors, in bottles -----	\$55, 115	\$159, 093
Spirits, distilled -----	1, 727	8, 070
Wines -----	20, 462	82, 608

France furnishes most of the brandy that is imported into the Philippines, Spain standing second on the list, and the United Kingdom third.

The whisky and all other distilled spirits properly belong under one heading, as it is practically all whisky. The United States furnish a fair proportion of this product, standing second on the list of countries exporting to the Philippines.

There is considerable Scotch whisky consumed here, which comes principally from the United Kingdom. The importations from that country in 1906 amounted to about \$66,000.

The Filipinos drink a liquor called "vino," which is manufactured locally from alcohol distilled from nipa and sugar, so that most of the spirits imported here are consumed by the American and foreign population.

The internal-revenue tax on distilled spirits is 10 cents per proof liter. The collections for the fiscal year ended June 30, 1907, indicate that there was removed for local consumption, distilled spirits to the amount of 8,407,095 proof liters. This was an increase over the preceding year of 1,899,229 proof liters.

During the early years of American occupation, when there were large numbers of soldiers in the Islands, the importation of beer from the United States reached comparatively large figures, but with the reduction of the United States forces the importations have decreased steadily. Most of the beer at present consumed here is manufactured by the one brewery of the Islands, which is located in Manila and operates under a franchise, with special privileges attached, which was granted by Spain. The beer removed from the brewery for consumption for the fiscal year ended June 30, 1907, according to the report of the Collector of Internal Revenue for the Islands, amounted to 3,059,750 gauge liters, which represents an increase over the preceding year of 30,790 liters.

Importers of German draft beer have made some headway in the trade here, and have been selling their beer in this market at about the same price as the local product. The importations of beer from Germany in 1905 were valued at \$24,800, in 1906 the figures reached \$49,156. This includes both draft and bottled beer. For the same period the importations from the United States decreased from \$183,131 to \$97,681.

Most of the wine imported into the Islands comes in wood from Spain. The consumption is very much less now than in Spanish times. In

1894, the last year under Spanish rule of which authentic record is available, the importation of wines, other than the sparkling wines, amounted in value to \$1,194,611, of which Spain furnished \$1,190,826 worth. The importations from Spain for several years past have ranged from one hundred and nine to one hundred and fifty thousand dollars in value.

There is little of this wine that could not be furnished by the United States. The California clarets are fully equal to those of Spain, and under a free-trade arrangement between the Philippines and the United States the consumption would not only increase on account of the revival of agricultural industries in the Islands which would ensue but American dealers would have a distinct advantage which should give them control of this business.

The comparative table of imports offers a very pertinent suggestion of the possibilities of trade in liquors in the Philippine Islands.

43. STARCH.

The following table gives the imports of starch into the Philippine Islands for the calendar year 1906 with a comparison of the imports into Porto Rico of this article from the United States and an estimate of what the value of the importations into the Philippines from the United States would have been had the same volume of trade per capita existed here as in Porto Rico and the same proportion of total imports come from the United States:

[Exclusive of United States Government supplies.]

Article.	Philippine Islands.			Porto Rico, from United States.
	Total importa- tions.	From United States.		
		Actual.	Estimated. ^a	
Starch -----	\$8, 270	\$229	\$31, 064	\$3, 883

^a If same amount per capita as Porto Rico.

While the importations of starch into the Philippine Islands appear insignificant, a comparison with the exports from the United States to Porto Rico indicate that the consumption will increase largely in the Philippines when these Islands attain the commercial growth that has been achieved by Porto Rico. This will naturally follow the establishment of reciprocal trade relations between the Philippines and the United States, and under such arrangements the United States will control the market in this as well as in other manufactured articles.

44. SUGAR, CONFECTIONERY, ETC.

The following table gives the imports of sugar, confectionery, etc., into the Philippine Islands for the calendar year 1906 with a comparison of the imports into Porto Rico of these articles from the United States

and an estimate of what the value of the importations into the Philippines from the United States would have been had the same volume of trade per capita existed here as in Porto Rico and the same proportion of total imports come from the United States:

[Exclusive of United States Government supplies.]

Article.	Philippine Islands.			Porto Rico, from United States.
	Total importa- tions.	From United States.		
		Actual.	Estimated. ^a	
Molasses and sirup -----	\$5,154	\$4,429	\$5,680	\$710
Confectionery -----	31,483	10,430	955,176	119,397
Sugar:				
Raw -----	149			
Refined -----	96,243	961	1,750,040	218,755
Total -----	133,029	15,820	2,710,896	338,862

^a If same amount per capita as Porto Rico.

Imports of refined sugar into Porto Rico from the United States for the fiscal year 1901 amounted to \$14,684.

Most of the sugar used in the Philippines is consumed in the raw state as produced here. There is a small refinery located near Manila, but it has been operated intermittently and with but little success. Most of the refined sugar used here comes from Hongkong, where there are two large refineries. These take a part of the raw sugar exported from the Philippines, while most of the balance exported goes direct to Chinese ports and is consumed by that country in raw form.

The confectionery imported into the Islands is furnished by Spain and the United States principally. The former heads the list with \$11,304 worth.

If free trade were established between the Philippines and the United States, the production of sugar would be stimulated and it would doubtless reach, within a few years' time, the comparatively large exports of 1895 that amounted to 336,073 tons. The exports for 1906 amounted to 127,407 tons. Under such an arrangement the refined sugar consumed here would beyond doubt be imported from the United States.

In addition to the importations of refined sugar, shown in the above table, there is a considerable quantity imported for the use of the United States Army and Navy that is not included in these figures. This also comes from Hongkong.

45. TIN, AND ZINC, AND MANUFACTURES OF.

The following table gives the imports of tin, zinc, and manufactures thereof into the Philippine Islands for the calendar year 1906 with a comparison of the imports into Porto Rico of these articles from the United States and an estimate of what the value of the importations into the Philippines from the United States would have been had the same

volume of trade per capita existed here as in Porto Rico and the same proportion of total imports come from the United States.

[Exclusive of United States Government supplies.]

Article.	Philippine Islands.			Porto Rico. from United States.
	Total importa- tions.	From United States.		
		Actual.	Estimated. ^a	
Tin:				
In sheets -----	\$20, 319	\$5, 364		
Manufactured -----	33, 167	4, 398		
Total -----	53, 486	9, 762	231, 520	28, 940
Zinc, and manufactures of -----	16, 520	329	30, 168	3, 771
Grand total -----	70, 006	10, 091	261, 688	32, 711

^a If same amount per capita as Porto Rico.

Imports of manufactures of tin into Porto Rico from the United States in the fiscal year 1901 amounted to \$4,415.

The importations of articles under this heading have never been very great and the United States shares but little in the trade. It is probable, however, that were economic conditions in the Islands improved, the consumption would soon equal the per capita consumption of Porto Rico. This would be brought about by reciprocal trade arrangements with the United States which would give Philippine products free access to United States markets, thus stimulating agricultural industries in the Islands and increasing the consuming power of the people. The United States manufacturers, in turn, would be in a position to control this market for their products.

46. TOBACCO.

The following table gives the imports of tobacco into the Philippine Islands for the calendar year 1906 with a comparison of the imports into Porto Rico of this article from the United States and an estimate of what the value of the importations into the Philippines from the United States would have been had the same volume of trade per capita existed here as in Porto Rico and the same proportion of the total imports come from the United States:

[Exclusive of United States Government supplies.]

Article.	Philippine Islands.			Porto Rico. from United States.
	Total importa- tions.	From United States.		
		Actual.	Estimated. ^a	
Unmanufactured -----	\$8,093	\$26	\$3,099,992	\$387,499
Cigars -----	2,948	874	11,320	1,415
Cigarettes -----	2,576	27	960	120
All other -----	11,037	802	145,176	18,147
Total -----	24,654	1,729	3,257,448	407,181

^a If same amount per capita as Porto Rico.

Imports of unmanufactured leaf tobacco into Porto Rico from the United States for the fiscal year 1901 amounted to \$24,415.

Tobacco has always been one of the leading products of the Islands, and at one time reached to 27 per cent of the total value of exports. The production has not changed materially for a number of years.

Most of that which enters commercial channels is grown in the Cagayan Valley of northern Luzon. Tobacco produced in other sections of the Islands does not assume importance beyond the local markets.

The imports of tobacco are made up of a small amount of leaf tobacco for wrapper uses, a few American and Havana cigars, a small quantity of cigarettes, principally of Egyptian and English manufacture, and an indifferent quantity of smoking and chewing tobacco, principally the former brought from China for consumption by the Chinese of the Islands.

While a fair grade of tobacco is grown in the Cagayan Valley the proportion that is suitable for wrapper purposes is quite small, and it is probable that with a good wrapper tobacco available at a reasonable price it could be used in considerable quantities. This has been demonstrated in Porto Rico, where they are to-day importing leaf tobacco from the United States to the value of nearly four hundred thousand dollars per annum which is used in the manufacture of Porto Rican cigars. There is hardly any doubt but that with free trade in effect between the United States and the Philippine Islands the Philippines would be able to use a correspondingly large amount of American wrapper tobacco.

A very large proportion of the cigarettes manufactured in the Philippines is consumed in the Islands.

There has been a gradual increase in the manufacture, consumption, and exportation of both cigars and cigarettes during the past few years, but the increase in the production of leaf tobacco has hardly kept pace with the increase in the demand and, as a result, stocks of tobacco are to-day depleted and manufacturers are placed under the necessity of using considerable unmanufactured leaf.

The following table from the report of the Collector of Internal Revenue shows the increase in the manufacture of cigars and cigarettes during the past three fiscal years, both for export and local consumption:

Article.	1905.	1906.	1907.
Cigars:			
Exports	81,258,130	94,341,542	117,766,660
Local consumption	69,652,820	74,184,537	79,476,459
Total manufactured	150,910,950	168,526,079	197,243,119
Cigarettes:			
Exports	14,910,265	21,062,844	158,349,804
Local consumption	2,964,441,590	3,509,038,750	3,509,999,575
Total manufactured	2,979,351,855	3,530,101,594	3,668,349,379

While there appears to be a comparatively large area of good tobacco land not yet under cultivation in the Philippines, experience has shown it to be very difficult to increase the production of good marketable tobacco to any appreciable extent.

It is believed that free trade with the United States would assist in some measure the interests of tobacco growers by relieving them of the necessity of depending upon but one market for the sale of their product. Also in the general effect of such a bill, other agricultural industries would receive an impetus which would give a larger local market to manufactured tobacco, thus stimulating competition in the home field and, in turn, lessening the necessity for dependence upon the export trade. Better prices would naturally prevail, and the tendency would be to stimulate production as well as to improve the quality of the product.

The Filipinos are great users of tobacco and the local consumption responds quickly to the ability of the people to purchase.

47. VEGETABLES.

The following table gives the imports of vegetables into the Philippine Islands for the calendar year 1906 with a comparison of the imports into Porto Rico of these articles from the United States and an estimate of what the value of the importations into the Philippines from the United States would have been had the same volume of trade per capita existed here as in Porto Rico and the same proportion of the total imports come from the United States.

[Exclusive of United States Government supplies.]

Article.	Philippine Islands.			Porto Rico. from United States.
	Total importa- tions.	From United States		
		Actual.	Estimated.*	
Beans and pease -----	\$58,419	\$5,205	\$2,209,912	\$276,239
Onions -----	107,198	909	117,088	14,636
Potatoes -----	206,910	25,526	961,144	120,148
Canned -----	71,766	30,174	170,056	22,507
All other -----	106,251	13,962	158,400	19,800
Total -----	551,127	75,776	3,636,600	453,325

^a If same amount per capita as Porto Rico.

Imports of vegetables into Porto Rico from the United States, for the fiscal year 1901.

Beans and pease	\$32,055
Potatoes	55,519
All other	13,190

The variety of edible vegetables produced in the Philippines is not great, and there is a decided tendency to use imported products when they are available and the people are able to purchase them. Thus, large quantities of onions and potatoes are imported each year, coming in from different countries according to the season; Japan and Australia have contributed most of the importations. Some come from the United States, but the difference in price militates against the American product.

Any improvement in economic conditions in the Islands will be quickly reflected in the trade in vegetables, especially those that are canned.

When better transportation facilities are provided between the United States and the Philippines, it is probable that some of the trade in fresh vegetables can be supplied by the home country.

The comparative table of imports from the United States into Porto Rico with imports into the Philippines furnishes a pertinent suggestion of the possibilities of trade in articles under this head.

48. WOOD, AND MANUFACTURES OF.

The following table gives the imports of wood, and manufactures thereof, into the Philippine Islands for the calendar year 1906 with a comparison of the imports into Porto Rico of these articles from the United States and an estimate of what the value of the importations into the Philippines from the United States would have been had the same volume of trade per capita existed here as in Porto Rico and the same proportion of the total imports come from the United States.

[Exclusive of United States Government supplies.]

Article.	Philippine Islands.			Porto Rico, from United States.
	Total importa- tions.	From United States.		
		Actual.	Estimated. ^a	
Unmanufactured timber, etc.....	\$1,638	\$1,328	-----	\$21,813
Lumber.....	371,959	292,617	-----	479,438
Shooks, etc.....	7,656	6,055	-----	81,856
Other unmanufactured.....	859	-----	-----	67,975
Total unmanufactured.....	382,112	300,000	\$5,208,656	651,082
Manufactures of:				
Furniture.....	36,813	13,741	1,292,424	161,553
Moldings, etc.....	5,291	379	58,008	7,251
Woodenware.....	1,022	214	11,304	1,413
All other.....	68,055	29,633	1,574,768	196,846
Hogsheads and barrels.....	-----	-----	596,784	74,598
Total manufactured.....	111,181	43,967	3,533,288	441,661
Grand total.....	493,293	343,967	9,731,944	1,092,743

^a If same amount per capita as Porto Rico.

Imports of wood, and manufactures of, into Porto Rico from the United States for the fiscal year 1901.

Lumber:

Boards, deals, and planks	\$80,034
Shooks	101,456
All other	26,782
Furniture	85,259
All other	16,454

Although there are vast areas of forest ranges in the Philippines that are practically untouched, the Islands have imported large quantities

of lumber from the United States and Australia since American occupation. The reason for this lies in the fact that transportation facilities have been so poor and expensive that it has not been profitable to use the native lumber except that which has been available from the seashore. It is believed that with an improvement in logging and milling facilities—which is rapidly taking place—the Islands will soon be independent for their lumber supplies of outside imports. The time is nearly ended when lumber can be imported from Pacific coast ports and those of Australia into the Philippines for less than native lumber can be landed in Manila.

It is probable, however, that there will always be a fair market here for manufactures of wood, and this business will naturally improve with the growth of the agricultural industries of the Islands. This will be influenced to a great extent by tariff legislation on the part of Congress. Free trade between the United States and the Philippines will not only greatly stimulate local consumption of manufactured articles, but it will give American manufacturers practical control of this market for such goods as they export.

Development of the lumber industry will create a strong demand for logging and sawmill appliances and machinery. It is this trade that will hold the greatest interest for United States manufacturers, while the Philippine forests will eventually yield a large share of the cabinet and dyewoods that are consumed in American markets.

49. WOOL, AND MANUFACTURES OF.

The following table gives the imports of wool, and manufactures thereof, into the Philippine Islands for the calendar year 1906 with a comparison of the imports into Porto Rico of these articles from the United States and an estimate of what the value of the importations into the Philippines from the United States would have been had the same volume of trade per capita existed here as in Porto Rico and the same proportion of the total imports come from the United States.

Article.	Philippine Islands.			Porto Rico, from United States.
	Total importa- tions.	From United States.		
		Actual.	Estimated.*	
Raw -----	\$16, 172	\$102		
Carpets -----	2, 229	961	\$51, 664	\$6, 458
Cloth -----	58, 839	51	165, 896	20, 737
Flannels and blankets -----	3, 955	286	26, 376	3, 297
Wearing apparel -----	33, 393	1, 743	554, 800	69, 350
All other -----	48, 650	2, 679	558, 456	69, 807
Total -----	163, 238	5, 822	1, 357, 192	169, 649

* If same amount per capita as Porto Rico.

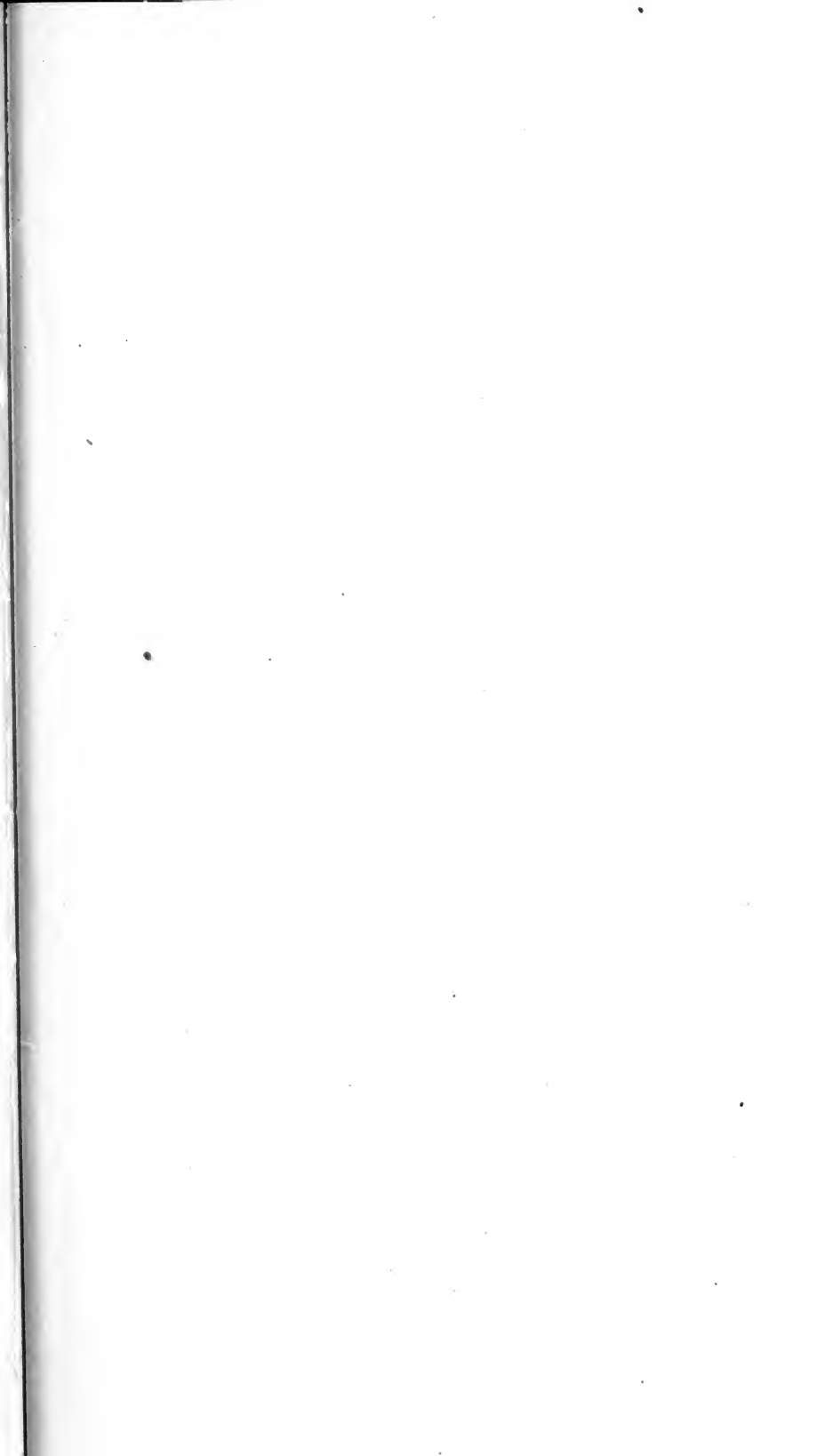
Imports of manufactures of wool into Porto Rico from the United States,
fiscal year—

1901	\$8,764
1907	140,807

The demand for woolen goods in the Philippines is small. The climate obviates the necessity of the use of woolen clothing—except in rare instances—and while there will naturally be some increase in the importations of goods of this character with the growth of agricultural interests in the Islands (as has been demonstrated in the case of Porto Rico), still cotton will always remain the staple among textiles imported.

A comparison of the imports into Porto Rico indicate what the increase of the trade will be in the Philippines when these Islands shall have attained the same measure of production and consumption as has been recorded by Porto Rico.









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